

1 BILL NO. S-85-10- 39 (as amended)

2 SPECIAL ORDINANCE NO. S- 202-85

3 A BOND ORDINANCE OF THE CITY OF FORT WAYNE
4 INDIANA AUTHORIZING, INTER ALIA, THE ISSUANCE
5 OF THE CITY OF FORT WAYNE, INDIANA POLLUTION
CONTROL REVENUE BONDS (GENERAL MOTORS
CORPORATION PROJECT), SERIES 1985

6 WHEREAS, the City of Fort Wayne, Indiana (the "Issuer") is
7 a municipal corporation and a political subdivision organized and
8 existing under the laws of the State of Indiana and is authorized
9 and empowered under and by virtue of the Indiana Code, Section
10 36-7-12-1, et seq., as amended (the "Act"), to issue its economic
11 development revenue bonds for the purpose of acquiring and
12 installing "pollution control facilities" (as defined in the Act)
13 and to enter into financing agreements with respect thereto in order
14 to abate and control air and water pollution and to dispose of solid
15 waste materials; and

16 WHEREAS, the Common Council of the City of Fort Wayne,
17 Indiana (the "Governing Body") has heretofore created the Fort Wayne
18 Economic Development Commission (the "Commission") pursuant to the
19 Act, and the members of the Commission have been duly appointed and
20 qualified pursuant to the Act; and

21 WHEREAS, by resolutions duly adopted on May 16, 1985 and
22 June 11, 1985, the Commission and Issuer, respectively, took affir-
23 mative official action (the "Inducement Resolution") providing for
24 the acquisition, construction, and installation of certain air and
25 water pollution control facilities, solid waste disposal facilities
26 and related facilities (the "Project") for General Motors
27 Corporation, a Delaware corporation (the "Company"), at the
28 Company's new truck assembly plant located in Fort Wayne, Indiana,
29 and the financing of the Project through the issuance of economic
30 development revenue bonds by the Issuer; and

31 WHEREAS, the Commission, in compliance with Section 103(k)
32 of the Internal Revenue Code of 1954, as amended (the "Code"), con-

1 ducted a public hearing with respect to the financing of the pro-
2 posed Project on October 31, 1985 and the Issuer approved the
3 proposed Project on November 5, 1985; and

4 WHEREAS, the issuer proposes to issue the City of Fort
5 Wayne, Indiana Pollution Control Revenue Bonds (General Motors
6 Corporation Project), Series 1985 in the aggregate principal amount
7 of \$31,000,000.00 (the "Bonds"), to finance the acquisition,
8 construction and installation of the Project; and

9 WHEREAS, the Issuer proposes to enter into a Loan
10 Agreement, dated as of November 1, 1985 (the "Agreement"), with
11 the Company, under the terms of which the Issuer will lend the pro-
12 ceeds of the sale of the Bonds to the Company to enable it to
13 finance the costs of the Project, and the Company will agree to pay
14 to the Issuer moneys sufficient (i) to pay the principal of, and the
15 redemption premium (if any) and the interest on, the Bonds as the
16 same become due and payable, (ii) to pay the purchase price of any
17 Bonds required to be purchased pursuant to the Indenture
18 (hereinafter defined), and (iii) to pay certain administrative
19 expenses in connection with the Bonds; and

20 WHEREAS, the Bonds will be issued under a Trust Indenture,
21 dated as of November 1, 1985 (the "Indenture"), between the Issuer
22 and The First National Bank of Chicago, as trustee (the "Trustee");
23 and

24 WHEREAS, as security for the payment of the Bonds, the
25 Issuer will assign and pledge to the Trustee under the terms of the
26 Indenture certain rights, title and interest of the Issuer in (i)
27 the Agreement, (ii) the "Pledged Revenues" (defined in the
28 Indenture), and (iii) all amounts on deposit from time to time in
29 the "Project Fund" and the "Bond Fund" (both defined in the
30 Indenture); and

31 WHEREAS, it is proposed that in order to accomplish the
32 sale of the Bonds the Issuer should enter into a Bond Purchase

1 Agreement (the "Bond Purchase Agreement") with Morgan Stanley &
2 Company Incorporated and the Company, the terms of which provide for
3 the sale of the Bonds; and

4 WHEREAS, it is proposed that the Issuer should provide for
5 the use and distribution of a Preliminary Offering Circular (the
6 "Preliminary Offering Circular") and for the approval, execution and
7 delivery of a final Offering Circular (the "Offering Circular") per-
8 taining to the Bonds; and

9 WHEREAS, it is proposed that the Issuer should designate a
10 "Trustee", "Paying Agent", "Bond Registrar", "Rate-Setting Agent"
11 and "Remarketing Agent" to serve under the Indenture; and

12 WHEREAS, it is also proposed that the Issuer should
13 authorize the filing of certain certificates, applications, reports
14 and notices and authorize certain other actions and proceedings as
15 shall be necessary in connection with the issuance of the Bonds; and

16 WHEREAS, there have been presented to the Issuer at this
17 meeting proposed forms of the Agreement, the Indenture, the Bond
18 Purchase Agreement and the Preliminary Offering Circular and the
19 proposed form of the Bonds as set forth in the Indenture; and

20 WHEREAS, it appears that each of the documents hereinabove
21 referred to, which documents are now before the Issuer, is in
22 appropriate form and is an appropriate document for the purposes
23 intended; and

24 WHEREAS, the Commission has prepared a report estimating
25 the public services which will be made necessary and desirable by
26 the Project and the expense of such service, the total cost of the
27 Project, and describes how the Project will abate and control air
28 and water pollution and dispose of solid waste materials, and the
29 Commission submitted such a report to the Director of the Plan
30 Commission and allowed five (5) days after receipt of such report
31 for the Director of such Plan Commission to formulate written com-
32 ments concerning such report and to submit said comments back to the

1 Commission; and

2 WHEREAS, the Commission has found that there are no
3 existing facilities in the City of Fort Wayne, Indiana which are
4 suitable for the Company's purpose and that the proposed Project
5 will not have an adverse competitive effect on similar facilities
6 already constructed or operating in the City of Fort Wayne; and

7 WHEREAS, the Commission then held a public hearing on the
8 Project on October 31, 1985 after giving notice in accordance with
9 the Act, and upon finding that the Project will be of benefit to the
10 welfare of the City of Fort Wayne and that the Project complies with
11 the purposes and provisions of the Act, the Commission adopted a
12 resolution approving the form and terms of the Bonds and the forms
13 of the Agreement, the Indenture, the Bond Purchase Agreement, and
14 the Offering Circular. The Resolution and the forms of the
15 Agreement, the Indenture, the Bond Purchase Agreement and the
16 Offering Circular, along with the report of the Commission and the
17 written comments, if any, of the Director of the Plan Commission
18 concerning such report, and all other other instruments and infor-
19 mation pertaining to the Project were then transmitted to the
20 Governing Body by the Secretary of the Commission;

21 NOW, THEREFORE, BE IT ORDAINED BY GOVERNING BODY OF THE
22 CITY OF FORT WAYNE, INDIANA, AS FOLLOWS:

23 Section 1. Authority for Bond Ordinance. This Bond
24 Ordinance is adopted pursuant to the provisions of the Act.

25 Section 2. Findings. It is hereby ascertained, determined
26 and declared that:

27 (a) the Governing Body has found and does hereby declare
28 that the issuance and sale of the Bonds and the use of the pro-
29 ceeds of the sale of the Bonds to finance the acquisition,
30 construction and installation of the Project complies with the
31 purposes and provisions of Section 36-12-25 of the Act and will
32 be of benefit to the City of Fort Wayne, Indiana and its

citizens;

(b) the payments to be received by the Issuer under the Agreement will be fully sufficient to pay the principal of, and the redemption premium (if any) and the interest on, the Bonds as the same become due and to pay all administrative expenses in connection with the Bonds; and

(c) the Bonds will constitute only limited obligations of the Issuer and will be payable solely from the Pledged Revenues to be assigned and pledged to the payment thereof and will not constitute a debt or a general obligation or a pledge of the faith and credit of the State of Indiana or the City of Fort Wayne, and will not directly, indirectly, or contingently obligate said State or said City to levy or to pledge any form of taxation whatever for the payment thereof.

Section 3. Authorization of Financing of Acquisition, Construction and Installation of Project. The financing of the acquisition, construction and installation of the Project as contemplated in the Agreement and the Indenture is hereby authorized.

Section 4. Authorizaton of Bonds. For the purpose of paying the cost, in whole or in part, of acquiring, constructing and installing the Project, the issuance of the "City of Fort Wayne, Indiana Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985", in the aggregate principal amount of \$31,000,000.00, is hereby authorized. The Bonds shall be dated, mature, bear interest, be subject to redemption prior to maturity and be payable as set forth in Articles II, III and IV of the Indenture. The Bonds shall be issued as registered Bonds without coupons in various denominations with such rights of exchangeability and transfer of registration and shall be in the form and executed and authenticated in the manner provided in the Indenture. The term "Bonds" as used herein shall be deemed to mean and include the Bonds as initially issued and delivered and Bonds issued in exchange

1 therefor or in exchange for Bonds previously issued.

2 Any Bonds hereafter issued in exchange or for transfer of
3 registration for the Bonds initially issued and delivered pursuant
4 to the Indenture shall be executed in accordance with the provisions
5 of the Indenture and such execution by the Mayor and City Clerk of
6 the Issuer, whether present or future, is hereby authorized.

7 Section 5. Authorization of Agreement. The execution,
8 delivery and performance of the Agreement by and between the Issuer
9 and the Company be and the same are hereby authorized. The
10 Agreement shall be in substantially the form attached hereto as
11 Exhibit "A", subject to such minor changes, insertions or omissions
12 as may be approved by the Mayor of the Issuer and the execution of
13 the Agreement by the Mayor and City Clerk of the Issuer as hereby
14 authorized shall be conclusive evidence of any such approval.

15 Section 6. Authorization of Indenture. The execution,
16 delivery and performance of the Indenture by and between the Issuer
17 and the Trustee be and the same are hereby authorized. The
18 Indenture shall be in substantially the form attached hereto as
19 Exhibit "B", subject to such minor changes, insertions or omissions
20 as may be approved by the Mayor of the Issuer and the execution of
21 the Indenture by the Mayor and City Clerk of the Issuer as hereby
22 authorized shall be conclusive evidence of any such approval.

23 Section 7. Authorization of Bond Purchase Agreement. The
24 execution, delivery and performance of the Bond Purchase Agreement
25 providing for the sale of the Bonds, between and among the Issuer,
26 the Company and Morgan Stanley & Company Incorporated, be and the
27 same are hereby authorized. The Bond Purchase Agreement shall be in
28 substantially the form attached hereto as Exhibit "C", subject to
29 such minor changes, insertions or omissions as may be approved by
30 the Mayor of the Issuer and the execution of the Bond Purchase
31 Agreement by the Mayor of the Issuer as hereby authorized shall be
32 conclusive evidence of any such approval.

1 Section 8. Approval of Offering Documents. The use and
2 distribution of the Preliminary Offering Circular with respect to
3 the Bonds be and the same are hereby approved and the execution and
4 delivery of the Offering Circular in final form be and the same are
5 hereby authorized. The Offering Circular shall be in substantially
6 the form attached hereto as Exhibit "D", subject to such minor
7 changes, insertions or omissions as may be approved by the Mayor of
8 the Issuer.

9 Section 9. Designation of Trustee, Paying Agent, Bond
10 Registrar, Rate-Setting Agent and Remarketing Agent. The First
11 National Bank of Chicago, a national banking association, is hereby
12 designated Trustee under the Indenture and Paying Agent and Bond
13 Registrar for the Bonds. Morgan Stanley & Company Incorporated is
14 hereby designated Rate-Setting Agent and Remarketing Agent for the
15 Bonds. Summit Bank of Fort Wayne, a banking corporation organized
16 and existing under and by virtue of the laws of the State of Indiana
17 is hereby designated Co-Trustee under the Indenture.

18 Section 10. Execution of Bonds. The Bonds shall be exe-
19 cuted in the manner provided in the Indenture and the same shall be
20 delivered to the Trustee for proper authentication and delivery to
21 the purchaser or purchasers thereof with instructions to that effect
22 as provided in the Indenture.

23 Section 11. Information Reporting Pursuant to Section
24 103(1) of the Code. The Mayor of the Issuer is hereby authorized to
25 sign and file or cause to be filed a completed I.R.S. Form 8038,
26 "Information Return for Private Activity Bond Issues", as required
27 by Section 103(1) of the Code.

28 Section 12. Non-Arbitrage Certification. The Mayor of the
29 Issuer is hereby authorized to execute a non-arbitrage certification
30 in order to comply with Section 103(c) of the Code, and the appli-
31 cable Income Tax Regulations thereunder.

32 Section 13. No Personal Liability. No stipulation, obli-
gation or agreement herein contained or contained in the Agreement,
the Indenture or the Bond Purchase Agreement shall be deemed to be a

1 stipulation, obligation or agreement of any officer, agent or
2 employee of the Issuer in his individual capacity, and no such
3 officer, agent or employee shall be personally liable on the Bonds
4 or be subject to personal liability or accountability by reason of
5 the issuance thereof.

6 Section 14. General Authority. From and after the execu-
7 tion and delivery of the documents hereinabove authorized, the
8 proper officers, agents and employees of the Issuer are hereby
9 authorized, empowered and directed to do all such acts and things
10 and to execute all such documents as may be necessary to carry out
11 and comply with the provisions of said documents as executed and are
12 further authorized to take any and all further actions and execute
13 and deliver any and all other documents and certificates as may be
14 necessary or desirable in connection with the issuance of the Bonds
15 and the execution and delivery of the Indenture and the Agreement
16 and to document compliance with the provisions of Section 103 of the
17 Code.

18 The Mayor and City Clerk of the Issuer are hereby
19 authorized and directed to prepare and furnish to the purchaser or
20 purchasers, when the Bonds are issued, certified copies of all the
21 proceedings and records of the Issuer relating to the Bonds, and
22 such other affidavits and certificates as may be required to show
23 the facts relating to the legality and marketability of the Bonds as
24 such facts appear from the books and records in the officers' custody
25 and control or as otherwise known to them; and all such certified
26 copies, certificates and affidavits, including any heretofore fur-
27 nished, shall constitute representations of the Issuer as to the
28 truth of all statements contained therein.

29 Section 15. Actions Approved and Confirmed. All acts and
30 doings of the officers of the Issuer which are in conformity with
31 the purposes and intents of this Bond Ordinance and in the
32 furtherance of the issuance of the Bonds and the execution, delivery

1 and performance of the Indenture, the Agreement and the Bond
2 Purchase Agreement shall be, and the same hereby are, in all
3 respects approved and confirmed.

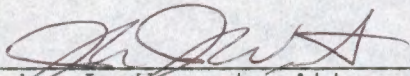
4 Section 16. Severability of Invalid Provisions. If any
5 one or more of the agreements or provisions herein contained shall
6 be held contrary to any express provision of law or contrary to the
7 policy of express law, though not expressly prohibited, or against
8 public policy, or shall for any reason whatsoever be held invalid,
9 then such covenants, agreements or provisions shall be null and void
10 and shall be deemed separable from the remaining agreements and pro-
11 visions and shall in no way affect the validity of any of the other
12 agreements and provisions hereof or of the Bonds authorized
13 hereunder.

14 Section 17. Repealing Clause. All ordinances or parts
15 thereof of the Issuer in conflict with the provisions herein con-
16 tained are, to the extent of such conflict, hereby superseded and
17 repealed.

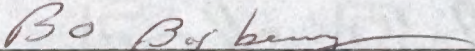
18 Section 18. Effective Date. This Bond Ordinance shall
19 take effect immediately upon its adoption.

20
21 _____
Councilman

22 ADOPTED BY ECONOMIC DEVELOPMENT COMMISSION
23 AND APPROVED AS TO FORM.

24 
25 John J. Wernet, Attorney for the
Economic Development Commission
Dated this 4th day of Nov, 1985

26 APPROVED AS TO FORM AND LEGALITY.

27 
28 Bruce O. Boxberger, City Attorney
29 Dated this 4th day of Nov, 1985
30
31
32

Read the first time in full and on motion by E. isch
seconded by Jalisco, and duly adopted, read the second time
by title and referred to the Committee Finance (and the Ci
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Way
Indiana, on _____, the _____ day of
_____, 19____, at _____ o'clock _____ M., E

DATE: 10-22-85

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Stier
seconded by Jalisco, and duly adopted, placed on its
passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>8</u>	_____	_____	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	<u>✓</u>	_____	_____	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GiaQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>HENRY</u>	_____	_____	_____	<u>✓</u>	_____
<u>REDD</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 11-5-85

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort
Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)
(SPECIAL) (ZONING MAP) ORDINANCE (RESOLUTION) NO. A-202-85
on the 5th day of November, 19 85.

ATTEST:

(SEAL)

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Mark E. GiaQuinta
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana,
on the 6th day of November, 19 85.
at the hour of 9:30 o'clock A .M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 6th day of November,
19 85, at the hour of 11:00 o'clock A .M., E.S.T.

Win Moses, Jr.
WIN MOSES, JR., MAYOR

1 BILL NO. S-85-10- 29

2 SPECIAL ORDINANCE NO. S-

3 A BOND ORDINANCE OF THE CITY OF FORT WAYNE
4 INDIANA AUTHORIZING, INTER ALIA, THE ISSUANCE
5 OF THE CITY OF FORT WAYNE, INDIANA POLLUTION
6 CONTROL REVENUE BONDS (GENERAL MOTORS
7 CORPORATION PROJECT), SERIES 1985

8 WHEREAS, the City of Fort Wayne, Indiana (the "Issuer") is
9 a municipal corporation and a political subdivision organized and
10 existing under the laws of the State of Indiana and is authorized
11 and empowered under and by virtue of the Indiana Code, Section
12 36-7-12-1, et seq., as amended (the "Act"), to issue its economic
13 development revenue bonds for the purpose of acquiring and
14 installing "pollution control facilities" (as defined in the Act)
15 and to enter into financing agreements with respect thereto in order
16 to abate and control air and water pollution and to dispose of solid
17 waste materials; and

18 WHEREAS, the Common Council of the City of Fort Wayne,
19 Indiana (the "Governing Body") has heretofore created the Fort Wayne
20 Economic Development Commission (the "Commission") pursuant to the
21 Act, and the members of the Commission have been duly appointed and
22 qualified pursuant to the Act; and

23 WHEREAS, by resolutions duly adopted on May 16, 1985 and
24 June 11, 1985, the Commission and Issuer, respectively, took affir-
25 mative official action (the "Inducement Resolution") providing for
26 the acquisition, construction, and installation of certain air and
27 water pollution control facilities, solid waste disposal facilities
28 and related facilities (the "Project") for General Motors
29 Corporation, a Delaware corporation (the "Company"), at the
30 Company's new truck assembly plant located in Fort Wayne, Indiana,
31 and the financing of the Project through the issuance of economic
32 development revenue bonds by the Issuer; and

WHEREAS, the Commission, in compliance with Section 103(k)
of the Internal Revenue Code of 1954, as amended (the "Code"), con-

1 ducted a public hearing with respect to the financing of the pro-
2 posed Project on October 17, 1985 and the Issuer approved the
3 proposed Project on October 22, 1985; and

4 WHEREAS, the issuer proposes to issue the City of Fort
5 Wayne, Indiana Pollution Control Revenue Bonds (General Motors
6 Corporation Project), Series 1985 in the aggregate principal amount
7 of \$31,000,000.00 (the "Bonds"), to finance the acquisition,
8 construction and installation of the Project; and

9 WHEREAS, the Issuer proposes to enter into a Loan
10 Agreement, dated as of November 1, 1985 (the "Agreement"), with
11 the Company, under the terms of which the Issuer will lend the pro-
12 ceeds of the sale of the Bonds to the Company to enable it to
13 finance the costs of the Project, and the Company will agree to pay
14 to the Issuer moneys sufficient (i) to pay the principal of, and the
15 redemption premium (if any) and the interest on, the Bonds as the
16 same become due and payable, (ii) to pay the purchase price of any
17 Bonds required to be purchased pursuant to the Indenture
18 (hereinafter defined), and (iii) to pay certain administrative
19 expenses in connection with the Bonds; and

20 WHEREAS, the Bonds will be issued under a Trust Indenture,
21 dated as of November 1, 1985 (the "Indenture"), between the Issuer
22 and The First National Bank of Chicago, as trustee (the "Trustee");
23 and

24 WHEREAS, as security for the payment of the Bonds, the
25 Issuer will assign and pledge to the Trustee under the terms of the
26 Indenture certain rights, title and interest of the Issuer in (i)
27 the Agreement, (ii) the "Pledged Revenues" (defined in the
28 Indenture), and (iii) all amounts on deposit from time to time in
29 the "Project Fund" and the "Bond Fund" (both defined in the
30 Indenture); and

31 WHEREAS, it is proposed that in order to accomplish the
32 sale of the Bonds the Issuer should enter into a Bond Purchase

1 Agreement (the "Bond Purchase Agreement") with Morgan Stanley &
2 Company Incorporated and the Company, the terms of which provide for
3 the sale of the Bonds; and

4 WHEREAS, it is proposed that the Issuer should provide for
5 the use and distribution of a Preliminary Offering Circular (the
6 "Preliminary Offering Circular") and for the approval, execution and
7 delivery of a final Offering Circular (the "Offering Circular") per-
8 taining to the Bonds; and

9 WHEREAS, it is proposed that the Issuer should designate a
10 "Trustee", "Paying Agent", "Bond Registrar", "Rate-Setting Agent"
11 and "Remarketing Agent" to serve under the Indenture; and

12 WHEREAS, it is also proposed that the Issuer should
13 authorize the filing of certain certificates, applications, reports
14 and notices and authorize certain other actions and proceedings as
15 shall be necessary in connection with the issuance of the Bonds; and

16 WHEREAS, there have been presented to the Issuer at this
17 meeting proposed forms of the Agreement, the Indenture, the Bond
18 Purchase Agreement and the Preliminary Offering Circular and the
19 proposed form of the Bonds as set forth in the Indenture; and

20 WHEREAS, it appears that each of the documents hereinabove
21 referred to, which documents are now before the Issuer, is in
22 appropriate form and is an appropriate document for the purposes
23 intended; and

24 WHEREAS, the Commission has prepared a report estimating
25 the public services which will be made necessary and desirable by
26 the Project and the expense of such service, the total cost of the
27 Project, and describes how the Project will abate and control air
28 and water pollution and dispose of solid waste materials, and the
29 Commission submitted such a report to the Director of the Plan
30 Commission and allowed five (5) days after receipt of such report
31 for the Director of such Plan Commission to formulate written com-
32 ments concerning such report and to submit said comments back to the

Commission; and

WHEREAS, the Commission has found that there are no existing facilities in the City of Fort Wayne, Indiana which are suitable for the Company's purpose and that the proposed Project will not have an adverse competitive effect on similar facilities already constructed or operating in the City of Fort Wayne; and

WHEREAS, the Commission then held a public hearing on the Project on October 17, 1985 after giving notice in accordance with the Act, and upon finding that the Project will be of benefit to the welfare of the City of Fort Wayne and that the Project complies with the purposes and provisions of the Act, the Commission adopted a resolution approving the form and terms of the Bonds and the forms of the Agreement, the Indenture, the Bond Purchase Agreement, and the Offering Circular. The Resolution and the forms of the Agreement, the Indenture, the Bond Purchase Agreement and the Offering Circular, along with the report of the Commission and the written comments, if any, of the Director of the Plan Commission concerning such report, and all other other instruments and information pertaining to the Project were then transmitted to the Governing Body by the Secretary of the Commission;

NOW, THEREFORE, BE IT ORDAINED BY GOVERNING BODY OF THE CITY OF FORT WAYNE, INDIANA, AS FOLLOWS:

Section 1. Authority for Bond Ordinance. This Bond Ordinance is adopted pursuant to the provisions of the Act.

Section 2. Findings. It is hereby ascertained, determined and declared that:

(a) the Governing Body has found and does hereby declare that the issuance and sale of the Bonds and the use of the proceeds of the sale of the Bonds to finance the acquisition, construction and installation of the Project complies with the purposes and provisions of Section 36-12-25 of the Act and will be of benefit to the City of Fort Wayne, Indiana and its

1 citizens;

2 (b) the payments to be received by the Issuer under the
3 Agreement will be fully sufficient to pay the principal of, and
4 the redemption premium (if any) and the interest on, the Bonds
5 as the same become due and to pay all administrative expenses
6 in connection with the Bonds; and

7 (c) the Bonds will constitute only limited obligations of
8 the Issuer and will be payable solely from the Pledged Revenues
9 to be assigned and pledged to the payment thereof and will not
10 constitute a debt or a general obligation or a pledge of the
11 faith and credit of the State of Indiana or the City of Fort
12 Wayne, and will not directly, indirectly, or contingently obli-
13 gate said State or said City to levy or to pledge any form of
14 taxation whatever for the payment thereof.

15 Section 3. Authorization of Financing of Acquisition,
16 Construction and Installation of Project. The financing of the
17 acquisition, construction and installation of the Project as con-
18 templated in the Agreement and the Indenture is hereby authorized.

19 Section 4. Authorizaton of Bonds. For the purpose of
20 paying the cost, in whole or in part, of acquiring, constructing and
21 installing the Project, the issuance of the "City of Fort Wayne,
22 Indiana Pollution Control Revenue Bonds (General Motors Corporation
23 Project), Series 1985", in the aggregate principal amount of
24 \$31,000,000.00, is hereby authorized. The Bonds shall be dated,
25 mature, bear interest, be subject to redemption prior to maturity
26 and be payable as set forth in Articles II, III and IV of the
27 Indenture. The Bonds shall be issued as registered Bonds without
28 coupons in various denominations with such rights of exchangeability
29 and transfer of registration and shall be in the form and executed
30 and authenticated in the manner provided in the Indenture. The term
31 "Bonds" as used herein shall be deemed to mean and include the Bonds
32 as initially issued and delivered and Bonds issued in exchange

1 therefor or in exchange for Bonds previously issued.

2 Any Bonds hereafter issued in exchange or for transfer of
3 registration for the Bonds initially issued and delivered pursuant
4 to the Indenture shall be executed in accordance with the provisions
5 of the Indenture and such execution by the Mayor and City Clerk of
6 the Issuer, whether present or future, is hereby authorized.

7 Section 5. Authorization of Agreement. The execution,
8 delivery and performance of the Agreement by and between the Issuer
9 and the Company be and the same are hereby authorized. The
10 Agreement shall be in substantially the form attached hereto as
11 Exhibit "A", subject to such minor changes, insertions or omissions
12 as may be approved by the Mayor of the Issuer and the execution of
13 the Agreement by the Mayor and City Clerk of the Issuer as hereby
14 authorized shall be conclusive evidence of any such approval.

15 Section 6. Authorization of Indenture. The execution,
16 delivery and performance of the Indenture by and between the Issuer
17 and the Trustee be and the same are hereby authorized. The
18 Indenture shall be in substantially the form attached hereto as
19 Exhibit "B", subject to such minor changes, insertions or omissions
20 as may be approved by the Mayor of the Issuer and the execution of
21 the Indenture by the Mayor and City Clerk of the Issuer as hereby
22 authorized shall be conclusive evidence of any such approval.

23 Section 7. Authorization of Bond Purchase Agreement. The
24 execution, delivery and performance of the Bond Purchase Agreement
25 providing for the sale of the Bonds, between and among the Issuer,
26 the Company and Morgan Stanley & Company Incorporated, be and the
27 same are hereby authorized. The Bond Purchase Agreement shall be in
28 substantially the form attached hereto as Exhibit "C", subject to
29 such minor changes, insertions or omissions as may be approved by
30 the Mayor of the Issuer and the execution of the Bond Purchase
31 Agreement by the Mayor of the Issuer as hereby authorized shall be
32 conclusive evidence of any such approval.

1 Section 8. Approval of Offering Documents. The use and
2 distribution of the Preliminary Offering Circular with respect to
3 the Bonds be and the same are hereby approved and the execution and
4 delivery of the Offering Circular in final form be and the same are
5 hereby authorized. The Offering Circular shall be in substantially
6 the form attached hereto as Exhibit "D", subject to such minor
7 changes, insertions or omissions as may be approved by the Mayor of
8 the Issuer.

9 Section 9. Designation of Trustee, Paying Agent, Bond
10 Registrar, Rate-Setting Agent and Remarketing Agent. The First
11 National Bank of Chicago, a national banking association, is hereby
12 designated Trustee under the Indenture and Paying Agent and Bond
13 Registrar for the Bonds. Morgan Stanley & Company Incorporated is
14 hereby designated Rate-Setting Agent and Remarketing Agent for the
15 Bonds.

16 Section 10. Execution of Bonds. The Bonds shall be exe-
17 cuted in the manner provided in the Indenture and the same shall be
18 delivered to the Trustee for proper authentication and delivery to
19 the purchaser or purchasers thereof with instructions to that effect
20 as provided in the Indenture.

21 Section 11. Information Reporting Pursuant to Section
22 103(1) of the Code. The Mayor of the Issuer is hereby authorized to
23 sign and file or cause to be filed a completed I.R.S. Form 8038,
24 "Information Return for Private Activity Bond Issues", as required
25 by Section 103(1) of the Code.

26 Section 12. Non-Arbitrage Certification. The Mayor of the
27 Issuer is hereby authorized to execute a non-arbitrage certification
28 in order to comply with Section 103(c) of the Code, and the appli-
29 cable Income Tax Regulations thereunder.

30 Section 13. No Personal Liability. No stipulation, obli-
31 gation or agreement herein contained or contained in the Agreement,
32 the Indenture or the Bond Purchase Agreement shall be deemed to be a

1 stipulation, obligation or agreement of any officer, agent or
2 employee of the Issuer in his individual capacity, and no such
3 officer, agent or employee shall be personally liable on the Bonds
4 or be subject to personal liability or accountability by reason of
5 the issuance thereof.

6 Section 14. General Authority. From and after the execu-
7 tion and delivery of the documents hereinabove authorized, the
8 proper officers, agents and employees of the Issuer are hereby
9 authorized, empowered and directed to do all such acts and things
10 and to execute all such documents as may be necessary to carry out
11 and comply with the provisions of said documents as executed and are
12 further authorized to take any and all further actions and execute
13 and deliver any and all other documents and certificates as may be
14 necessary or desirable in connection with the issuance of the Bonds
15 and the execution and delivery of the Indenture and the Agreement
16 and to document compliance with the provisions of Section 103 of the
17 Code.

18 The Mayor and City Clerk of the Issuer are hereby
19 authorized and directed to prepare and furnish to the purchaser or
20 purchasers, when the Bonds are issued, certified copies of all the
21 proceedings and records of the Issuer relating to the Bonds, and
22 such other affidavits and certificates as may be required to show
23 the facts relating to the legality and marketability of the Bonds as
24 such facts appear from the books and records in the officers' custody
25 and control or as otherwise known to them; and all such certified
26 copies, certificates and affidavits, including any heretofore fur-
27 nished, shall constitute representations of the Issuer as to the
28 truth of all statements contained therein.

29 Section 15. Actions Approved and Confirmed. All acts and
30 doings of the officers of the Issuer which are in conformity with
31 the purposes and intents of this Bond Ordinance and in the
32 furtherance of the issuance of the Bonds and the execution, delivery

1 and performance of the Indenture, the Agreement and the Bond
2 Purchase Agreement shall be, and the same hereby are, in all
3 respects approved and confirmed.

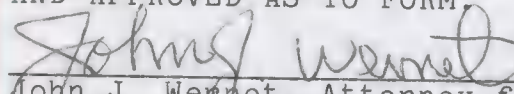
4 Section 16. Severability of Invalid Provisions. If any
5 one or more of the agreements or provisions herein contained shall
6 be held contrary to any express provision of law or contrary to the
7 policy of express law, though not expressly prohibited, or against
8 public policy, or shall for any reason whatsoever be held invalid,
9 then such covenants, agreements or provisions shall be null and void
10 and shall be deemed separable from the remaining agreements and pro-
11 visions and shall in no way affect the validity of any of the other
12 agreements and provisions hereof or of the Bonds authorized
13 hereunder.

14 Section 17. Repealing Clause. All ordinances or parts
15 thereof of the Issuer in conflict with the provisions herein con-
16 tained are, to the extent of such conflict, hereby superseded and
17 repealed.

18 Section 18. Effective Date. This Bond Ordinance shall
19 take effect immediately upon its adoption.

20 
21 Councilman

22 ADOPTED BY ECONOMIC DEVELOPMENT COMMISSION
23 AND APPROVED AS TO FORM.

24 
25 John J. Wernet, Attorney for the
Economic Development Commission
Dated this 21 day of October, 1985

26 APPROVED AS TO FORM AND LEGALITY.

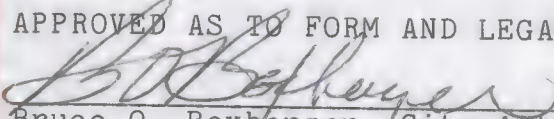
27 
28 Bruce O. Boxberger, City Attorney
Dated this 21 day of October, 1985

EXHIBIT A

Preliminary Draft
Dated: October 29, 1985

LOAN AGREEMENT

between

CITY OF FORT WAYNE, INDIANA

and

GENERAL MOTORS CORPORATION

Dated as of November 1, 1985

Relating to \$31,000,000
City of Fort Wayne, Indiana
Pollution Control Revenue Bonds
(General Motors Corporation Project)
Series 1985

This instrument prepared by:

KING & SPALDING
2500 Trust Company Tower
Atlanta, Georgia 30303
(404) 572-4600

LOAN AGREEMENT

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(The Table of Contents for this Loan Agreement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Loan Agreement.)

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[illegible]

30 LOAN AGREEMENT
31
31

34 THIS LOAN AGREEMENT (the "Agreement") is entered into
35 as of November 1, 1985, by and between the CITY OF FORT WAYNE,
36 INDIANA (the "Issuer"), as lender, and GENERAL MOTORS
38 CORPORATION (the "Company"), a Delaware corporation, as
39 borrower;
40
40

42 W I T N E S S E T H:
43
43

44 WHEREAS, the Issuer is authorized and empowered under
45 the provisions of Indiana Code, Section 36-7-12-1, et seq., and
46 the acts amendatory thereof and supplemental thereto (the
47 "Act"), to issue its revenue bonds to finance the costs of the
48 acquisition, construction and installation of any "project" (as
49 defined in the Act) including air and water pollution control
50 facilities, solid waste disposal facilities and related
51 facilities, in furtherance of the purposes to be served by the
52 Act; and
54

55 WHEREAS, the Issuer desires to issue its \$31,000,000
56 aggregate principal amount of the City of Fort Wayne, Indiana
58 Pollution Control Revenue Bonds (General Motors Corporation
59 Project), Series 1985 (the "Bonds"); and
60

61 WHEREAS, the Issuer will loan the proceeds of the
62 sale of the Bonds to the Company to enable the Company to
63 finance the costs of the acquisition, construction and
64 installation of certain air and water pollution control
65 facilities and solid waste disposal facilities and related
66 facilities (the "Project") at the Company's automobile assembly
67 plant in Fort Wayne, Indiana; and
68

69 WHEREAS, the Issuer will enter into this Agreement,
70 with the Company, under the terms of which the Company will
71 agree to pay to the Issuer moneys sufficient (i) to pay the
72 principal of, and the redemption premium (if any) and the
73 interest on, the Bonds as the same become due and payable, (ii)
74 to pay the purchase price of any Bonds required to be purchased
75 pursuant to the Indenture (hereinafter defined), and (iii) to
77 pay certain administrative expenses in connection with the
78 Bonds; and
80

81 WHEREAS, as security for the payment of the Bonds,
82 the Issuer will assign and pledge to The First National Bank of
83 Chicago, as trustee (the "Trustee"), and Summit Bank of Fort
20

84 Wayne, as co-trustee (the "Co-Trustee"), under the terms of the
86 Trust Indenture, dated as of November 1, 1985 (the
87 "Indenture"), certain rights, title and interest of the Issuer
88 in (i) this Agreement, (ii) the Pledged Revenues" (hereinafter
89 defined), and (iii) all amounts on deposit from time to time in
90 the "Bond Fund" and the "Project Fund" (hereinafter defined);

91

92 NOW THEREFORE, the parties hereto, intending to be
93 legally bound hereby and for and in consideration of the mutual
94 agreements herein contained, DO HEREBY AGREE, as follows:

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ARTICLE I.

DEFINITIONS AND CERTAIN RULES OF INTERPRETATION

Section 1.1. Definitions. All words and terms as used in this Agreement shall have the same meanings given such words and terms in the Indenture, unless the context or use clearly indicates another or different meaning of intent. In addition, the following words and terms as used in this Agreement shall have the following meanings, unless the context or use clearly indicates another or different meaning or intent:

"Authorized Company Representative" means the person at the time designated to act on behalf of the Company by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Company by the President or any Vice President or the Treasurer or any Assistant Treasurer of the Company. Such certificate may designate an alternate or alternates.

"Authorized Issuer Representative" shall mean any individual or individuals duly authorized by the Issuer to act on its behalf.

"Bond Year" shall mean the one-year period beginning on the date the Bonds are issued and each one-year period thereafter until maturity of the Bonds.

"Completion Certificate" shall mean the certificate described in Section 3.5, executed by the Company, substantially in form of Exhibit "C" hereto.

"Completion Date" shall mean the date of completion of the Project as stated in the Completion Certificate described in Section 3.5.

"Contract of Purchase" means the Bond Purchase Agreement dated November 5, 1985 among the Issuer, the Company and Morgan Stanley & Company Incorporated.

"Costs of the Project" means the costs of the acquisition, construction and installation of the Project and the issuance of the Bonds more fully described in the Project Summary.

"Debt Service" shall mean the scheduled amounts of interest and amortization of principal payable for any Bond Year with respect to the Bonds.

147 "Default" means an event or condition the occurrence
148 of which would, with the lapse of time or the giving of notice
149 or both, become an Event of Default.

150
151 "Event of Default" means one of the events so
152 denominated and described in Section 6.1.

153
154 "Offering Circular" means the Offering Circular dated
155 _____, 1985, distributed in connection with the
156 initial issuance and sale of the Bonds.

157
158 "Other Bonds" means the pollution control revenue
159 bonds described in Exhibit "D" attached hereto.

160
161 "Project" means the air and water pollution control
162 facilities and solid waste disposal facilities and related
163 facilities to be acquired, constructed and installed at the
164 Project Site with the proceeds of the sale of the Bonds, more
165 fully described in the Project Summary, as they may at any time
166 exist.

167
168 "Project Site" means the real property constituting
169 the site of the Project.

170
171 "Project Summary" means the description of the
171 Project and the Cost of the Project attached hereto as
172 Exhibit "A", as such Project Summary may be amended from time
173 to time as permitted herein.

174
175 "Requisition and Certification" shall mean the form
176 of requisition required by Section 3.3 as a condition precedent
177 to the disbursement of moneys from the Project Fund, in the
178 form attached hereto as Exhibit "B".

179
180 "Tax Certificate" shall mean the certificate
181 delivered as of the Date of Issuance and executed by the
182 Company in form and substance acceptable to the Issuer, wherein
183 the Company certifies as to such matters with respect to
184 Section 103 of the Code as the Issuer shall require.

185
186 Section 1.2 Certain Rules of Interpretation. The
187 definitions set forth in Section 1.1 shall be equally
188 applicable to both the singular and plural forms of the terms
189 therein defined and shall cover all genders.

190
191 "Herein", "hereby", "hereunder", "hereof",
192 "hereinbefore", "hereinafter" and other equivalent words refer
193 to this Agreement and not solely to the particular Article,
194 Section or Subdivision hereof in which such word is used.

205 ARTICLE II.

206
207 REPRESENTATIONS

208
209 Section 2.1. Representations by the Issuer. The
210 Issuer makes the following representations as the basis for the
211 undertakings on its part herein contained:
212

213 (a) Organization and Authority. The Issuer is a
214 municipality and political subdivision of the State, duly
215 organized, validly existing and in good standing under the
216 Constitution and laws of the State. The Issuer has all
217 requisite power and authority under the Act (i) to adopt
218 the Bond Ordinance, (ii) to issue the Bonds, (iii) to lend
219 the proceeds thereof to the Company to enable the Company
220 to finance the Project, and (iv) to enter into, and
221 perform its obligations under, this Agreement, the
222 Contract of Purchase and the Indenture.
224

225 (b) Pending Litigation. There are no actions,
226 suits, proceedings, inquiries or investigations pending,
227 or to the knowledge of the Issuer threatened, against or
228 affecting the Issuer in any court or before any
229 governmental authority or arbitration board or tribunal,
230 which involve the possibility of materially and adversely
231 affecting the transactions contemplated by this Agreement,
232 the Contract of Purchase or the Indenture or which, in any
233 way, would adversely affect the validity or enforceability
234 of the Bonds, the Indenture, the Contract of Purchase or
235 this Agreement or the ability of the Issuer to perform its
236 obligations under the Indenture, the Contract of Purchase
237 or this Agreement.

238 (c) Agreements Are Legal and Authorized. The
239 adoption of the Bond Ordinance, the issuance and sale of
240 the Bonds and the execution and delivery by the Issuer of
241 this Agreement, the Contract of Purchase and the
242 Indenture, and the compliance by the Issuer with all of
243 the provisions of each thereof and of the Bonds (i) are
244 within the powers and authority of the Issuer, (ii) have
245 been done in full compliance with the provisions of the
246 Act, are legal and will not conflict with or constitute on
247 the part of the Issuer a violation of or a breach of or
248 default under, or result in the creation of any lien,
249 charge or encumbrance upon any property of the Issuer
250 (other than as contemplated by this Agreement and the
251 Indenture) under the provisions of, any by-law or other
252 agreement or instrument to which the Issuer is a party or

251 by which the Issuer is bound, or any license, judgment,
252 decree, law, statute, order, rule or regulation of any
253 court or governmental agency or body having jurisdiction
254 over the Issuer or any of its activities or properties,
255 and (iii) have been duly authorized by all necessary
256 action on the part of the Issuer.

257
258 (d) Governmental Consents. Neither the nature of
259 the Issuer nor any of its activities or properties, nor
260 any relationship between the Issuer and any other Person,
261 nor any circumstance in connection with the offer, issue,
262 sale or delivery of any of the Bonds is such as to require
263 the consent, approval or authorization of, or the filing,
264 registration or qualification with, any governmental
265 authority on the part of the Issuer in connection with the
266 execution, delivery and performance of this Agreement, the
267 Contract of Purchase and the Indenture or the offer,
268 issue, sale or delivery of the Bonds, other than those
269 already obtained as of the Date of Issuance; provided,
270 however, no representation is made herein as to compliance
271 with the securities or "blue sky" laws of any
272 jurisdiction.

273 (e) No Defaults. No event has occurred and no
274 condition exists with respect to the Issuer which would
275 constitute an "Event of Default" as defined in this
276 Agreement or the Indenture or which, with the lapse of
277 time or with the giving of notice or both, would become an
278 "Event of Default" under this Agreement or the Indenture.

280 (f) No Prior Pledge. Neither this Agreement nor the
281 Pledged Revenues have been pledged or hypothecated in any
282 manner or for any purpose other than as provided in the
283 Indenture as security for the payment of the Bonds.

284
285 (g) Special Obligations. Notwithstanding anything
286 herein contained to the contrary, any obligation the
287 Issuer may hereby incur for the payment of money shall not
288 constitute an indebtedness of the State or of any
289 political subdivision thereof within the meaning of any
290 State constitutional provision or statutory limitation and
291 shall not give rise to a pecuniary liability of the State
292 or a political subdivision thereof, or constitute a charge
293 against the general credit or taxing power of the State or
294 a political subdivision thereof or general funds or assets
295 of the Issuer, but shall be special obligations of the
296 Issuer payable solely from (i) the Pledged Revenues, (ii)
297 revenues derived from the sale of the Bonds, and (iii)
25 amounts on deposit from time to time in the Bond Fund,

subject to the provisions of this Agreement and the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and therein.

Section 2.2. Representations by the Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) Corporate Organization and Power. The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business and is in good standing under the laws of the State, and (ii) has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now being conducted and as presently proposed to be conducted.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Company threatened, against or affecting the Company in any court or before any governmental authority or arbitration board or tribunal which involve the possibility of materially and adversely affecting the transactions contemplated by this Agreement or the Indenture or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Indenture or this Agreement or the ability of the Company to perform its obligations under this Agreement.

(c) Agreements Are Valid and Authorized. The execution and delivery by the Company of this Agreement and the compliance by the Company with all of the provisions hereof (i) are within the corporate power of the Company, (ii) will not conflict with or result in any breach of any of the provisions of, or constitute a default under, any agreement, charter document, by-law or other instrument to which the Company is a party or by which it may be bound, or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties, and (iii) have been duly authorized by all necessary action on the part of the Company.

(d) Governmental Consent. Neither the Company nor any of its business or properties, nor any relationship between the Company and any other Person, nor any

342 circumstances in connection with the execution, delivery
343 and performance by the Company of this Agreement or the
344 offer, issue, sale or delivery by the Issuer of the Bonds,
345 is such as to require the consent, approval or
346 authorization of, or the filing, registration or
347 qualification with, any governmental authority on the part
347 of the Company, other than those already obtained as of
348 the Date of Issuance; provided, however, no representation
349 is made herein as to compliance with the securities or
350 "blue sky" laws of any jurisdiction.
352

353 (e) No Defaults. No event has occurred and no
354 condition exists with respect to the Company that would
355 constitute an "Event of Default" under this Agreement or
355 which, with the lapse of time or with the giving of notice
356 or both, would become an Event of Default" under this
357 Agreement.
358

359 (f) Nature and Location of Project. The Project
360 constitutes a "project" within the meaning of the Act and
360 is located within the State.
362

363 (g) Use of Proceeds of Bonds. Substantially all of
364 the net proceeds of the sale of the Bonds have been used
365 to provide "air or water pollution control facilities"
366 and/or "solid waste disposal facilities" within the
367 meaning of Section 103(b)(4) of the Code, and all of the
368 Costs of the Project paid with the proceeds of the Bonds
369 constitute costs which are properly chargeable to a
369 capital account of the Company for Federal income tax
370 purposes or would be so chargeable either with a proper
371 election by the Company or but for a proper election by
372 the Company to deduct such costs.
374

375 (h) Composite Issues. Except for the Other Bonds,
377 there are no "industrial development bonds" (as defined in
378 Section 103(b) of the Code), which have been issued, or
379 are contemplated to be issued, pursuant to Section
380 103(b)(6) of the Code, for the benefit of the Company or
381 any Related Person, and which (i) were or are to be sold
382 at substantially the same time as the Bonds, (ii) were or
383 are to be sold at substantially the same interest rate as
384 the interest rate of the Bonds, (iii) were or are to be
384 sold pursuant to a common plan of marketing as the
385 marketing plan for the Bonds, and (iv) are payable
386 directly or indirectly by the Company or from the source
387 from which the Bonds are payable.
388

(i) Governmental Approvals. The Project has been constructed in such manner as to conform with all applicable zoning, planning, building and other regulations of governmental authorities having jurisdiction of the Project, all necessary utilities are available to the Project, and the Company has obtained all requisite zoning, planning, building, environmental and other permits necessary for the construction of and the use contemplated for the Project.

(j) Financial Statements. The financial statements which have been furnished to the Issuer are complete and accurate in all material respects and present fairly the financial condition of the Company as of their respective dates and the results of its operations for the periods covered thereby in accordance with generally accepted accounting principles, and since the date of the most recent financial statement there has not been any material adverse change in the financial condition of the Company and there has not been any material transaction entered into by the Company other than transactions in the ordinary course of business or as disclosed in the Offering Circular.

(k) No Material Contingent Obligations. The Company does not have any material contingent obligations which are not disclosed in its most recent financial statements.

(1) Compliance With Act. The Company intends to cause the Project to operate at all times during the term of this Agreement as a facility which qualifies a "project" as defined in the Act.

(m) Tax Certificate. The information and representations contained in the Tax Certificate are true, accurate, correct and complete in all material respects as of the Date of Issuance of the Bonds.

427 ARTICLE III.
428

429 ACQUISITION, CONSTRUCTION AND INSTALLATION
430 OF THE PROJECT; ISSUANCE OF THE BONDS
431

432 Section 3.1. Agreement to Issue Bonds; Application
433 of Proceeds. In order to provide funds to pay the Costs of the
434 Project, the Issuer agrees that it will issue, sell and deliver
435 the Bonds to the initial purchaser or purchasers thereof at the
436 purchase price set forth in, and in accordance with the terms
437 and provisions of, the Contract of Purchase. The Issuer agrees
438 that it will cause the proceeds of the sale of the Bonds less
439 accrued interest to be deposited in the Project Fund.
440

441 Section 3.2. Acquisition, Construction and
442 Installation of the Project. The Company agrees that the
443 acquisition, construction and installation of the Project will
444 be completed as promptly as practicable after receipt of the
445 proceeds from the sale of the Bonds, delays incident to
446 strikes, riots, acts of God or the public enemy or other causes
447 beyond the reasonable control of the Company only excepted, but
448 if such acquisition, construction and installation is not
449 completed, there shall be no resulting liability on the part of
450 the Issuer and no diminution in or postponement of the payments
451 required to be paid by the Company hereunder.
452

453 The Project shall be acquired, constructed and
454 installed substantially in accordance with the Project Summary
455 as it may be amended from time to time prior to the Completion
456 Date; provided that no such amendment shall provide for a
457 material addition to, deletion from or modification of the
458 Project unless there shall have been filed with the Issuer and
459 the Trustee (i) a revised Project Summary, the accuracy of
460 which shall have been certified by the Authorized Company
461 Representative, and (ii) the written opinion of Bond Counsel
462 stating that (a) the Project described in the revised Project
463 Summary will constitute a "project" within the meaning of the
464 Act, and (b) the expenditure of moneys from the Project Fund to
465 pay the Costs of the Project in accordance with the revised
466 Project Summary will not impair the exemption of interest on
467 the Bonds from Federal income taxation.
468

469 Section 3.3. Disbursements from the Project Fund.
469 So long as no Event of Default shall have occurred and be
471 continuing, the Trustee shall disburse moneys from the Project
472 Fund to pay the Costs of the Project upon receipt of the
473 following:
474

475 (1) a written requisition for such payment signed by
476 an Authorized Company Representative;
477

478 (2) a certificate by an Authorized Company
479 Representative certifying:
480

481 (i) that the obligation described in such
481 requisition represents a Cost of the Project and has
482 been properly incurred in connection with the
483 issuance of the Bonds or the acquisition,
484 construction and installation of the Project;
485

486 (ii) that such obligation is a proper charge
486 against the Project Fund and has not been the basis
487 of any previous withdrawal from the Project Fund,
488 specifying the purpose and circumstance of such
489 obligation in reasonable detail and the name and
490 address of the Person to whom such obligation is
490 owed, and accompanied by a bill, statement of account
491 or a schedule showing in reasonable detail the items
492 with respect to which payment is being requested;
494

495 (iii) that such requisition contains no request
495 for payment on account of any portion of such
496 obligation which the Company is, as of the date of
497 such requisition, entitled to retain under any
498 retained percentage agreements;
499

500 (iv) that insofar as such requisition relates to
501 labor, services, materials, supplies and/or equipment
501 (1) such labor and/or services were actually
502 performed in a satisfactory manner and (2) such
503 materials, supplies and/or equipment were actually
504 used in or about the Plant or delivered to the Plant
505 for that purpose;
506

507 (v) that payment of such obligation, when added
507 to all other payments previously made from the
508 Project Fund, will not result in less than
509 substantially all of the net proceeds of the sale of
510 the Bonds expended at such time being used to provide
511 "air or water pollution control facilities" and/or
512 "solid waste disposal facilities" within the meaning
514 of Section 103(b)(4) of the Code; and
516

517 (vi) that such requisition contains no request
517 for payment on account of any obligation paid or
518 incurred prior to June 11, 1985.
520

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Such Requisition and Certification shall be in substantially the form attached hereto as Exhibit "E" and by this reference thereto made a part hereof.

The Trustee may rely on any such Requisition and Certificate delivered to it pursuant to this Section in making disbursements from the Project Fund, and the Trustee shall be relieved of all liability with respect to making such payments in accordance with any such Requisition and Certificate without inspection of the Project or any other investigation.

The Trustee shall make disbursements from the Project Fund for deposit in the Bond Fund to pay interest on the Bonds accruing prior to the Completion Date at the proper times without the necessity of receiving any such written Requisition and Certificate pertaining thereto.

In the event that any moneys remain in the Project Fund (including moneys earned on investments made pursuant to the provisions of Section 3.7) after the Completion Date and payment in full of the Costs of the Project, such moneys shall, at the direction of the Company, be (i) used by the Trustee, to the maximum extent practicable, to redeem the Bonds in part at par pursuant to Section 301, "Excess Proceeds Redemption" on the earliest date permitted by the Indenture or to purchase Bonds for the purpose of cancellation at any time prior to the earliest date permitted by the Indenture for the redemption of the Bonds at par, or (ii) paid into the Bond Fund to pay interest on the Bonds for a period of not more than twelve (12) months after the Completion Date, or (iii) a combination of (i) and (ii) as is provided in such direction; provided that such amounts approved by the Authorized Company Representative shall be retained by the Trustee in the Project Fund for payment of the Costs of the Project which have been incurred but which are not then due and payable; and provided, further, that the amounts directed by the Company to be used by the Trustee to redeem Bonds or to purchase Bonds for the purpose of cancellation shall not, pending such use, be invested at a yield which exceeds the yield on the Bonds. Notwithstanding the foregoing, amounts remaining in the Project Fund in excess of five percent (5%) of the net proceeds of the sale of the Bonds shall not be used by the Trustee for the purposes described in clauses (i), (ii) or (iii) unless the Company shall provide the Trustee with an opinion of Bond Counsel stating that such use will not impair the exemption of the interest on the Bonds from Federal income taxation under Section 103(b) of the Code.

569 The Issuer and the Company agree for the benefit of
570 each other and for the benefit of the Trustee and the holders
571 of the Bonds that the proceeds of the Bonds will not be used in
572 any manner which would result in the loss of the exemption from
573 Federal income taxation of the interest on the Bonds.

574
575 Section 3.4. Obligation to Furnish Documents to the
576 Trustee. The Company agrees to furnish to the Trustee the
577 documents referred to in Section 3.3 that are required to
578 effect payments out the Project Fund and to cause such
579 Requisitions and Certificates to be directed by the Authorized
580 Company Representative to the Trustee as may be necessary to
581 effect such payments. Such obligation of the Company is
582 subject to any provisions hereof or of the Indenture requiring
583 additional documentation with respect to payments and shall not
584 extend beyond the moneys in the Project Fund available for
585 payment of the Costs of the Project under the terms of the
586 Indenture.

587
588 Section 3.5. Establishment of Completion Date. The
589 Completion Date shall be evidenced to the Trustee by a
590 certificate signed by the Authorized Company Representative
591 stating that, except for amounts retained by the Trustee for
592 Costs of the Project not then due and payable as provided in
593 Section 3.3,

594
595 (a) the acquisition, construction and installation
596 of the Project have been completed in accordance with the
597 Project Summary and all Costs of the Project have been
598 paid;

599 (b) the Project and all other facilities in
600 connection therewith have been acquired, constructed and
601 installed to his satisfaction and are suitable and
602 sufficient for the efficient operation of the Project for
603 its intended purposes; and

604
605 (c) substantially all of the net proceeds of the
606 sale of the Bonds have been used to provided "air or water
607 pollution control facilities" and/or "solid waste disposal
608 facilities" within the meaning of Section 103(b)(4) of the
609 Code. Such certificate shall be in substantially the form
610 attached hereto as Exhibit "C" and by this reference
611 thereto made a part hereof. The Company agrees to furnish
612 a copy of such certificate to the Issuer at the same time
613 such document is furnished to the Trustee.

614
615 Section 3.6. Company Required to Pay Costs of the
616 Project If Project Fund Insufficient. If the moneys in the

ARTICLE IV.

TITLE TO PROJECT; PROVISIONS FOR PAYMENT

Section 4.1. Title to the Project. The Issuer acknowledges and agrees that it will not be vested with any interest in the Project by virtue of executing, delivering and performing this Agreement or issuing the Bonds to finance the Costs of the Project and that the Project will not constitute any part of the security for the Bonds.

Section 4.2. Payment Obligations of the Company.

(a) As consideration for the issuance of the Bonds and the lending of the Bond proceeds to the Company by the Issuer in accordance with the provisions of this Agreement, the Company agrees to pay to the Trustee, for deposit in the Bond Fund, amounts sufficient to pay the principal of, the redemption premium (if any) and the interest on, the Bonds as the same become due, as follows:

(i) On or before each Interest Payment Date, a sum equal to the interest on the Bonds coming due on such date;

(ii) On or before any redemption date for the Bonds, a sum equal to the principal of, the redemption premium (if any) and the interest on the Bonds which are to be redeemed on such date; and

(iii) On or before November 1, 2005, a sum which will be equal to the principal amount of the Bonds coming due on such date.

All such payments shall be made to the Trustee at its Principal Office in lawful money of the United States of America which will be immediately available on the date each such payment is due. Each payment shall be sufficient to pay the total amount of principal of, redemption premium (if any) and interest on, the Bonds on such payment date. Anything herein to the contrary notwithstanding, if on any such payment date, the balance in the Bond Fund is insufficient to make the required payments of principal of, redemption premium (if any) and interest on the Bonds on such date, the Company shall forthwith pay any such deficiency.

(b) The Company further agrees that in the event payment of the principal of and the interest on the Bonds is

696 accelerated upon the occurrence of an Event of Default under
697 the Indenture, all amounts payable under Section 4.2(a) for the
698 remainder of the term hereof shall be accelerated.

699
700 (c) Any amount held in the General Account in the
701 Bond Fund on any payment date specified in subsection (a) above
702 shall be credited against the payments required to be made by
703 the Company on such payment date. If, after transfer of
704 amounts in the Bond Fund from the General Account to the
705 Special Account and the investment thereof, there shall occur
706 any losses in the Special Account such that the amounts therein
707 are insufficient to make the payments required to be made
708 therefrom, the Company further agrees to forthwith deposit into
709 the Special Account an amount sufficient to make up all such
710 losses.

711
712 (d) If all of the Bonds then outstanding are called
713 for redemption, any amounts held in the General Account in the
714 Bond Fund on such redemption date shall be used to pay the
715 principal of, the redemption premium (if any) and the interest
716 on the Bonds to be redeemed and shall reduce the amounts to be
717 then paid by the Company pursuant to subsection (a) above to
718 effect such redemption.

719
720 (e) Anything herein or in the Indenture or the Bonds
721 to the contrary notwithstanding, the obligations of the Company
722 hereunder shall be subject to the limitation that payments
723 constituting interest under this Section shall not be required
724 to the extent that the receipt of such payment by the holder of
725 any Bond would be contrary to the provisions of law applicable
726 to such holder which limit the maximum rate of interest which
727 may be charged or collected by such holder.

728
729 Section 4.3. Additional Payment Obligations of The
730 Company.

731
732 (a) In addition to the amounts payable by the
733 Company under Section 4.2, the Company agrees to pay to the
734 Trustee, for deposit in the Bond Purchase Fund, on or before
735 each Purchase Date and on or before the Fixed Rate Conversion
736 Date, a sum equal to the Purchase Price of any Bonds required
737 to be purchased by the Tender Agent pursuant to Section 206 or
738 Section 208 of the Indenture; provided, however, that the
739 obligation of the Company to make any such payments hereunder
740 shall be reduced by the amount of any moneys on deposit in the
741 Bond Purchase Fund and available to pay the Purchase Price of
742 such Bonds under Section 603(c)(i) of the Indenture. All such
743 payments shall be made to the Trustee at its Principal Office
744 in lawful money of the United States of America which will be

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745 immediately available on the Purchase Date or the Fixed Rate
746 Conversion Date.

747

748 (b) The Issuer shall have no obligation, financial
748 or otherwise, with respect to payment of the Purchase Price of
749 any Bonds required to be purchased pursuant to the Indenture,
750 or for arrangements therefor, except that the Issuer shall
752 generally cooperate with the Company, the Trustee, the
753 Co-Trustee, the Tender Agent, the Remarketing Agent and the
755 Rate-Setting Agent as contemplated in the Indenture.

757

758 Section 4.4. Administrative Expenses. The Company
759 shall pay, or cause to be paid, an amount equal to (i) the
760 reasonable fees and charges of the Trustee for Ordinary
761 Services rendered as Trustee under the Indenture and its
762 reasonable Ordinary Expenses incurred as Trustee under the
763 Indenture, including reasonable fees of its Counsel, (ii) the
764 reasonable fees and charges of the Trustee for Extraordinary
765 Services rendered as Trustee under the Indenture and the
766 reasonable Extraordinary Expenses incurred as Trustee under the
767 Indenture, as and when the same become due, including the
768 reasonable fees of its outside Counsel, (iii) the reasonable
769 fees and charges of the Co-Trustee and the reasonable expenses
770 incurred by the Co-Trustee, as and when the same become due,
771 including the reasonable fees of its Counsel, (iv) the
772 reasonable fees and charges of the Paying Agent and any
773 Co-Paying Agent and the reasonable expenses incurred by the
774 Paying Agent and any Co-Paying Agent, as and when the same
775 become due, including the reasonable fees of their Counsel, (v)
776 the reasonable fees and charges of the Bond Registrar and any
777 Co-Bond Registrar, and the reasonable expenses incurred by the
778 Bond Registrar and the Co-Bond Registrar, as and when the same
779 become due, including the reasonable fees of their Counsel,
780 (vi) the reasonable fees and charges of the Tender Agent for
781 acting as Tender Agent under the Indenture, as and when the
782 same become due, including the reasonable fees of its Counsel,
783 (vii) the reasonable fees and charges of the Remarketing Agent
784 for acting as Remarketing Agent under the Indenture, as and
785 when the same become due, including the reasonable fees of its
786 Counsel, and (viii) the reasonable fees and charges of the
787 Rate-Setting Agent for acting as Rate-Setting Agent under the
788 Indenture, as and when the same become due, including the
789 reasonable fees of its Counsel. The Company may, without
790 constituting grounds for an Event of Default hereunder,
791 withhold payment of any such fees and expenses of the Trustee,
792 the Co-Trustee, the Paying Agent, any Co-Paying Agent, the Bond
793 Registrar, any Co-Bond Registrar, the Tender Agent, the
794 Remarketing Agent or the Rate-Setting Agent (other than fees
795 and charges for Ordinary Services and Ordinary Expenses of the

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796 Trustee) to contest in good faith the necessity for any
797 Extraordinary Services of the Trustee or the Co-Trustee and the
799 reasonableness of any Extraordinary Expenses of the Trustee or
799 the Co-Trustee and to contest in good faith the necessity for
800 any services and expenses paid or incurred by, and the
801 reasonableness of any fees, charges or expenses of, the Paying
802 Agent, any Co-Paying Agent, the Bond Registrar, any Co-Bond
803 Registrar, the Tender Agent, the Remarketing Agent or the
804 Rate-Setting Agent.

805

806 Section 4.5. Obligations of the Company Absolute and
807 Unconditional. The obligations of the Company to make the
808 payments required in Sections 4.2, 4.3, 5.1, 6.4, 7.1, 7.2 and
809 7.3 and to perform and observe the other agreements on its part
810 contained herein shall be absolute and unconditional and shall
811 not be subject to diminution by set-off, counterclaim,
812 abatement or otherwise. Until Payment in Full of the Bonds,
813 and payment in full of the Purchase Price of any Bonds
814 purchased pursuant to the Indenture, the Company (a) will not
815 suspend or discontinue any payments provided for in Section
816 4.2, 4.3, 5.1, 6.4, 7.1, 7.2 or 7.3 except to the extent the
817 same have been prepaid, (b) will perform and observe all its
818 other agreements contained herein, and (c) except as provided
819 in Sections 7.1, 7.2 and 7.3, will not terminate this Agreement
820 for any cause, including, without limiting the generality of
821 the foregoing, any acts or circumstances that may constitute
822 failure of consideration, sale, loss, eviction or constructive
823 eviction, destruction of or damage to the Project, commercial
824 frustration of purpose, any change in the tax or other laws of
825 the United States of America or of the State or any political
826 subdivision of either, or any failure of the Issuer to perform
827 and observe any agreement, whether express or implied, or any
828 duty, liability or obligation arising out of or in connection
829 herewith or with the Indenture. Nothing contained in this
830 Section shall be construed to release the Issuer from the
831 performance of any of the agreements on its part herein
832 contained; and if the Issuer should fail to perform any such
833 agreement, the Company may institute such action against the
834 Issuer as the Company may deem necessary to compel performance
835 or recover its damages for nonperformance so long as such
836 action shall not do violence to the agreements on the part of
837 the Company contained in the preceding sentence.

838

839 Section 4.6. Company Consent to Assignment of
840 Agreement and Execution of Indenture. The Company understands
841 that pursuant to the Indenture the Issuer, as security for the
842 payment of the principal of, the redemption premium (if any)
843 and the interest on, the Bonds, will assign and pledge to the
844 Trustee and the Co-Trustee, and grant to the Trustee and the

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845 Co-Trustee a security interest in, certain of its rights, title
847 and interest in and to this Agreement including all Pledged
848 Revenues, reserving, however, its rights (a) pursuant to this
849 Agreement providing that notices, approvals, consents requests
850 and other communications be given to the Issuer, (b) to
851 reimbursement and payment of costs and expenses under Sections
852 5.1 and 6.4, and (c) to indemnification and to exemption from
853 liability under Section 5.1, and the Company hereby agrees and
854 consents to such assignment and pledge. The Company
855 acknowledges that it has received a copy of the Indenture and
856 consents to the execution of the same by the Issuer.

858

859 Section 4.7. Company's Performance Under Indenture.

860 The Company agrees, for the benefit of the bondholders, to do
861 and perform all acts and things contemplated in the Indenture
862 to be done or performed by it.

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ARTICLE V.

PARTICULAR AGREEMENTS

Section 5.1. Issuer's Expenses; Release and Indemnification Provisions. The Company shall, on the Date of Issuance, pay the Issuer's issuance fee of \$_____. The Company further agrees, whether or not the transactions contemplated by this Agreement and the Indenture shall be consummated:

(a) to pay, and save the Issuer harmless against liability for the payment of, all reasonable out-of-pocket expenses arising in connection with said contemplated transactions, including the reasonable fees and expenses of Counsel to the Issuer; and

(b) to protect, indemnify and save the Issuer, its directors, members, officers, officials, agents and employees harmless from and against all liability, losses, damages, costs, reasonable expenses (including reasonable Counsel fees), taxes, causes of action, suits, claims, demands and judgments of any nature or form, by or on behalf of any person arising in any manner from the transactions of which this Agreement is a part or arising in any manner in connection with the Project or the financing or refinancing of the Project, including, without limiting the generality of the foregoing, arising from (i) the work done on the Project, or (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement, or (iii) the Project or any part thereof, or (iv) any violation of contract, agreement or restriction by the Company relating to the Project, or (v) any violation of law, ordinance or regulation affecting the Project or any part thereof or the ownership or occupancy or use thereof.

The provisions of this Section shall not apply to any claim or liability resulting from the Issuer's acts of gross negligence, bad faith, fraud or deceit or for any claim or liability which the Company was not given the opportunity to contest, due to the gross negligence of the Issuer.

The provisions of this Section shall survive the termination of this Agreement.

Section 5.2. Maintenance of Corporate Existence; Qualification in the State. The Company agrees that until

915 Payment in Full of the Bonds it shall maintain its corporate
916 existence and shall not merge or consolidate with any other
917 corporation and shall not transfer or convey all or
918 substantially all of its property, assets and licenses;
919 provided, however, the Company may, without violating any
920 provision hereof, consolidate with or merge into another
921 domestic corporation (i.e., a corporation incorporated and
922 existing under the laws of one of the states of the United
923 States of America or the District of Columbia) or permit one or
924 more other domestic corporations to consolidate with or merge
925 into it, or transfer all or substantially all of its assets to
926 another domestic corporation, but only on the condition that
927 the assignee corporation or the corporation resulting from or
928 surviving such merger (if other than the Company) or
929 consolidation or the corporation to which such transfer is made
930 is in compliance with the terms of the second paragraph of this
931 Section and shall expressly assume in writing and agree to
932 perform all of the Company's obligations hereunder.

933
934 The Company warrants (i) that it is and throughout
935 the term hereof it will continue to be qualified to do business
936 in the State, and (ii) that if it elects to consolidate with,
937 merge into or transfer all or substantially all of its assets
938 to another corporation in accordance with this Section, and
939 such other corporation is not organized under the laws of the
940 State, the Company, as a condition of such consolidation,
941 merger or transfer of assets, shall cause such other
942 corporation to qualify to do business as a foreign corporation
943 in the State and to remain so qualified continuously during the
944 term hereof.

945
946 Section 5.3. Financial Information. The Company
947 agrees to furnish to the Trustee or the Issuer, at its written
948 request, a copy of the Company's most recent annual report to
949 its stockholders and to furnish the Trustee or the Issuer a
950 copy of the Company's most recent Form 10-K Annual Reports and
951 Form 10-Q Quarterly Reports filed with the United States
952 Securities and Exchange Commission.

953
954 Section 5.4. Agreement of Issuer Not to Assign or
955 Pledge. Except for the assignment and pledge of the Trust
956 Estate in the Indenture, the Issuer agrees that it will not
957 attempt to further assign, pledge, transfer or convey its
958 interest in or create any assignment, pledge, lien, charge or
959 encumbrance of any form or nature with respect to the Trust
960 Estate.

961
962 Section 5.5. Redemption of Bonds. The Issuer or the
963 Trustee, at the request at any time of the Company and if the

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964 same are then redeemable, shall forthwith take all steps that
965 may be necessary under the applicable redemption provisions of
966 the Indenture to effect redemption of all or any portion of the
967 Bonds, as may be specified by the Company, on the earliest
968 redemption date on which such redemption may be made under such
969 applicable provisions or upon the date set for the redemption
970 by the Company pursuant to Section 7.1, 7.2 or 7.3. As long as
971 there exists no Default hereunder and the Issuer is not
972 obligated to redeem Bonds pursuant to the terms of the
973 Indenture, neither the Issuer nor the Trustee shall redeem any
974 Bond prior to its stated maturity unless requested to do so in
975 writing by the Company.

976
977 Section 5.6. Reference to Bonds Ineffective After
978 Bonds Paid. Upon Payment in Full of the Bonds, payment in full
979 of the Purchase Price of Bonds required to be purchased
980 pursuant to the Indenture, and payment of all fees and charges
981 of the Issuer, the Trustee, the Co-Trustee, the Paying Agent,
981 any Co-Paying Agent, the Bond Registrar, any Co-Bond Registrar,
982 the Remarketing Agent, the Rate-Setting Agent and the Tender
983 Agent all references herein to the Bonds and the Trustee shall
984 be ineffective and neither the Issuer, the Trustee, the
985 Co-Trustee nor the holders of any of the Bonds shall thereafter
986 have any rights hereunder and the Company shall have no further
987 obligation hereunder, saving and excepting those that shall
988 have theretofore vested and any right of the Issuer, the
989 Trustee or the Co-Trustee to indemnification under Section 5.1
990 and payment of fees under Section 6.4, which right shall
991 survive the Payment in Full of the Bonds and the termination of
992 this Agreement. Reference is hereby made to Section 902 of the
993 Indenture which sets forth the conditions upon the existence or
994 occurrence of which Payment in Full of the Bonds shall be
995 deemed to have been made.

996
997 Section 5.7. Assignment, Sale or Lease of Project.
998 Subject to the provisions of Section 5.2, the Company may
999 assign its interest in this Agreement and may sell or lease the
1000 Project, in whole or in part, without the prior written consent
1001 of the Trustee; provided that no assignment, lease or sale
1002 shall relieve the Company of primary liability for payments due
1003 hereunder and of the performance of all other obligations
1004 required hereunder, and that the Company delivers to the
1005 Trustee, within thirty (30) days after the date of execution
1006 and delivery thereof, a copy of such assignment, sales
1007 agreement or lease.

1008
1009 Section 5.8. Non-Arbitrage Covenant. (a) The
1009 Company hereby covenants and agrees with the Issuer and the
1010 Trustee, for the benefit of the holders of the Bonds, present

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1011 and future, that it will proceed with due diligence to spend
1012 the proceeds of the sale of the Bonds in connection with the
1014 Project and that it will not make, or permit, any use of the
1015 proceeds of the Bonds which will cause the Bonds to be
1016 "arbitrage bonds" within the meaning of Section 103(c) of the
1017 Code and any Treasury Regulations promulgated thereunder as
1018 such regulations may apply to obligations issued as of the date
1019 of the Bonds. The Company shall deliver to the Issuer its
1020 certificate, evidencing the reasonable expectations of the
1021 Company, in such reasonable form as the Issuer shall specify
1022 and upon which the Issuer may rely in furnishing the
1023 certificate required by Section 213(d) of the Indenture.

1024

1025 (b) The Company hereby further covenants and agrees
1026 with the Issuer and the Trustee, and with the holders of any of
1027 the Bonds, present and future, as follows:

1028

1029 (1) All of the gross proceeds of the Bonds, other
1030 than gross proceeds held in a "bona fide debt service
1031 fund" (hereinafter defined), will be expended on the
1032 Project within six (6) months of the Date of Issuance of
1033 the Bonds, or

1034

1035 (2) If any part of the gross proceeds of the Bonds
1036 has not been expended on the Project within six (6) months
1037 of the Date of Issuance, the Company shall invest or cause
1038 such gross proceeds to be invested in the manner described
1039 in subparagraph (A) below and shall pay or cause to be
1040 paid to the United States the amounts described in
1041 subparagraph (B) below in accordance with the terms and
1042 conditions set forth therein.

1043

1044 (A) Except during any "temporary period"
1045 (hereinafter defined), the aggregate amount of gross
1046 proceeds of the Bonds which are invested in
1047 "nonpurpose obligations" (hereinafter defined) having
1048 a "yield" (hereinafter defined) higher than the yield
1049 on the Bonds shall at no time during any "Bond Year"
1050 exceed 150% of the "debt service" (hereinafter
1051 defined) on the Bonds for such Bond Year. In
1052 addition, the aggregate amount of gross proceeds of
1053 the Bonds invested hereunder in nonpurpose
1054 obligations having a yield higher than the yield on
1055 the Bonds shall be promptly and appropriately reduced
1056 as the amount of outstanding Bonds is reduced
1057 (whether by payment at maturity, mandatory sinking
1058 fund redemption, redemption prior to maturity, or
1059 otherwise). The Company shall not be required to
1060 sell or dispose of nonpurpose obligations if such

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1062 sale or disposition would result in the realization
1063 of a loss, for Federal income tax purposes, that
1064 exceeds the amount that would be rebated to the
1065 United States pursuant to the provisions of
1066 subparagraph (b)(2)(B) below (but for such sale or
1067 disposition), at the time of such sale or disposition
1068 if a rebate were due at such time. The provisions of
1069 the foregoing sentence shall not apply to the extent
1070 that other nonpurpose obligations acquired with the
1071 gross proceeds of the Bonds may be sold or disposed
1072 of without incurring the loss described above, and in
1073 any event the provisions of the foregoing sentence
1074 shall cease to apply thirty (30) days after the last
1075 day of the first "computation period" (defined in
1076 subparagraph (b)(2)(B)) ending thereafter on which
1077 such nonpurpose obligations can be sold or disposed
1078 of without incurring the loss described hereinabove.
1079 The provisions of this subparagraph (A) shall not
1080 apply to gross proceeds of the Bonds which are:

1081
1082 (i) invested for the initial temporary
1083 period provided in Section 1.103-14(b)(1) of the
1084 Income Tax Regulations;

1085
1086 (ii) held in a bona fide debt service fund
1087 for the Bonds and invested for the 13-month
1088 temporary period provided in Section
1089 1.103-14(b)(10) of the Income Tax Regulations;

1090
1091 (iii) invested for either of the temporary
1092 periods provided for a sinking fund for the
1093 Bonds in Sections 1.103-14(b)(8) and
1094 1.103-14(b)(12) of the Income Tax Regulations;

1095
1096 (iv) invested during the one-year temporary
1097 period provided for investment earnings derived
1098 from invested proceeds of the Bonds and from the
1099 investment of amounts held in a sinking fund for
1100 the Bonds under Sections 1.103-14(b)(6) and
1101 1.103-14(b)(9) of the Income tax Regulations;

1102
1103 (v) invested for the temporary period
1104 provided for proceeds of a refunding issue in
1105 Section 1.103-14(e)(3) of the Income Tax
1106 Regulations; or

1107
1108 (vi) held in a "revolving fund" (within the
1109 meaning of Section 1.103-14(b)(11) of the Income
1110 Tax Regulations) and invested during the
1111 three-year temporary period set forth therein.

1113 (B) At the time or times hereinafter set forth,
1114 the Company shall pay or shall cause the Trustee to
1115 pay to the United States an amount, hereinafter
1116 referred to as the "Rebate Amount", which is equal to
1117 the sum of:

1118
1119 (i) the excess of --

1120
1121 (a) the aggregate amounts earned from
1122 the Date of Issuance of the Bonds on all
1123 nonpurpose obligations in which gross
1124 proceeds of the Bonds have been invested
1125 (other than nonpurpose obligations
1126 attributable to an excess described herein)
1127 over

1128
1129 (b) the aggregate amounts which would
1130 have been earned if the yield on such
1131 nonpurpose obligations (other than
1132 nonpurpose obligations attributable to an
1133 excess described herein) had been equal to
1134 the yield on the Bonds, plus

1135
1136 (ii) any income attributable to the excess
1137 described in clause (i) above.
1138

1139 The Rebate Amount payable to the United States shall
1140 be determined annually by the Company for each Bond
1141 Year during which Bonds remain outstanding and upon
1142 retirement of the last of the Bonds (each such period
1143 is hereinafter referred to as a "computation
1144 period"). The Rebate Amount determined for one Bond
1145 Year shall not be reduced or offset as a result of
1146 any determination of the Rebate Amount for any other
1147 Bond Year. Such Rebate Amounts shall be deposited
1148 annually in the Excess Investment Earnings Account
1149 created pursuant to the provisions of Section 704 of
1150 the Indenture. The Rebate Amount shall be paid to
1151 the United States in installments, as follows:

1152
1153 (I) subject to clause (III) below, the
1154 first such installment shall be paid no later
1155 than thirty (30) days after the end of the
1156 fifth (5th) Bond Year of the Bonds;

1157
1158 (II) subject to clause (III) below, an
1159 additional installment shall be paid on or prior
1160 to the last day of each additional installment
1161 payment period during which any of the Bonds

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1162 remain outstanding. For purposes of this
1162 clause (II), an installment payment period shall
1164 commence on the last day on which a preceding
1165 installment of the Rebate Amount was required to
1166 be paid, and shall end on the day preceding the
1167 fifth (5th) anniversary of such payment date;
1168

1169 (III) anything herein to the contrary
1170 notwithstanding, the last installment shall be
1171 paid no later than thirty (30) days after the
1172 last of the Bonds has been retired; and
1173

1174 (IV) each installment shall be in an amount
1175 which, when aggregated with the amount of any
1176 prior installments paid to the United States
1177 hereunder, will equal at least 90% of the total
1178 Rebate Amount payable to the United States
1179 hereunder as of the date such installment is
1180 paid; provided, however, that the last
1181 installment shall be in an amount equal to the
1182 entire remaining balance of the Rebate Amount
1183 payable to the United States hereunder.
1184

1185 The Company shall maintain or cause to be maintained
1185 records of such determinations for each computation
1186 period until six years after Payment in Full of the
1187 Bonds and shall make such records available to the
1188 Issuer, the Trustee and their representatives upon
1189 reasonable request therefor. The Issuer and the
1190 Trustee hereby agree to cooperate with the Company in
1191 making the determinations for each computation period
1192 required pursuant to this subparagraph (b).
1194

1195 To that end the Trustee, as Project Fund and Bond
1196 Fund custodian, has covenanted and agreed in
1197 Section 806 of the Indenture that it will, on or
1198 before each anniversary of the Date of Issuance,
1199 prepare and file with the Issuer and the Company a
1200 report with respect to the Project Fund and the Bond
1202 Fund setting forth the total amounts invested during
1203 the preceding Bond Year, the investments made with
1204 the moneys in the Project Fund and the Bond Fund and
1205 the investment earnings (and losses) resulting from
1206 the investments in each such Fund, respectively,
1206 together with such additional information concerning
1207 such Funds and the investments therein, respectively,
1208 as the Issuer or the Company shall reasonably
1209 request.
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1211 (3) For purposes of clause (a) of subparagraph
1212 (2)(B)(i) of this subparagraph (b), the Company, in
1213 determining the aggregate amounts earned on all nonpurpose
1214 obligations acquired with gross proceeds of the Bonds--

1215
1216 (A) will take into account any gain or loss
1217 incurred on the disposition of any such nonpurpose
1218 obligation, and
1219

1220 (B) unless the Issuer otherwise elects, will
1221 not take into account any amounts earned on
1222 nonpurpose obligations held in a bona fide debt
1223 service fund for the Bonds during any Bond Year in
1224 which the gross earnings on such fund do not exceed
1225 \$100,000.
1226

1227 (4) Except as provided in Section 1.103-15AT(d)(6)
1228 of the Temporary Income Tax Regulations with respect to
1229 the purchase of obligations of the United States Treasury
1230 directly from the United States Treasury, at no time shall
1231 any of the gross proceeds of the Bonds be invested in
1232 (A) nonpurpose obligations having a purchase price which
1232 is not equal to the fair market value of comparable
1234 obligations or producing a yield which is not equal to the
1235 fair market yield of comparable obligations, or (B) in any
1236 other manner resulting in a "prohibited payment" (within
1237 the meaning of Section 1.103-15 AT(d)(6) of the Temporary
1238 Income Tax Regulations) of any portion of the Rebate
1239 Amount, directly or indirectly, to a party other than the
1240 United States.
1241

1242 (5) Notwithstanding the provisions of subparagraph
1243 (b)(1), if gross proceeds of the Bonds subsequently arise
1244 following the end of the six-month period commencing on
1245 the Date of Issuance and delivery of the Bonds (whether
1246 due to sale of the Project, condemnation of the Project,
1247 damage or destruction to the Project, or otherwise) the
1248 provisions of subparagraph (b)(1) shall cease to apply and
1249 the Company shall be obligated to (i) make the payments to
1250 the United States set forth in subparagraph (b)(2)(B) with
1251 respect to the gross proceeds of the Bonds which arise
1252 following the end of such six-month period (but not with
1253 respect to gross proceeds of the Bonds expended during
1254 such six-month period) and perform the other duties set
1255 forth in subparagraph (b)(2)(B), and (ii) limit the amount
1256 of gross proceeds of the issue and perform the other
1257 duties set forth in subparagraph (b)(2)(A) above.
1258

(c) For purposes of construing this Section and Section 806 of the Indenture, the following definitions shall apply:

(1) "bona fide debt service fund" shall have the meaning set forth in Income Tax Regulation Section 1.103-13(b)(12);

(2) "debt service" shall have the meaning set forth in Code Section 103(c)(6)(C)(iii) and Temporary Income Tax Regulation Section 1.103-15AT(b)(5) [and Temporary Income Tax Regulation Section 1.103-15AT(c)(4)];

(3) "gross proceeds" shall have the meaning set forth in Temporary Income Tax Regulation Section 1.103-15AT(b)(6) and shall include:

(i) original proceeds of the Bonds;

(ii) investment proceeds of the Bonds;

(iii) transferred proceeds of the Bonds;

(iv) amounts held in a sinking fund for the Bonds;

(v) amounts held in a reasonably required reserve or replacement fund for the Bonds;

(vi) securities or obligations pledged as security for the payment of debt service on the Bonds;

(vii) amounts received with respect to acquired purpose obligations acquired with the proceeds of the Bonds;

(viii) any other amount to be used to pay debt service on the Bonds; and

(ix) any amounts received as a result of investing any amounts described in (i) through (viii) above;

(4) "nonpurpose obligations" shall have the meaning set forth in Code Section 103(c)(6)(H)(ii) and Temporary Income Tax Regulation Section 1.103-15AT(b)(2);

(5) "temporary period" shall mean the temporary periods set forth in Temporary Income Tax Regulation Section 1.103-15AT(c)(2) and described in clauses (i)-(vi) of subparagraph (b)(2)(A) above; and

(6) "yield" shall have the meaning set forth in Code Section 103(c)(6)(C)(ii) and Temporary Income Tax Regulation Section 1.103-15AT(b)(3) and Temporary Income Tax Regulation Section 1.103-15AT(c)(4).

(d) The covenants and agreements contained in subparagraph (b) above are intended to assure compliance with Section 103(c)(6) of the Code and with Temporary Income Tax Regulation Section 1.103-15AT. In the event such Temporary Income Tax Regulations are hereafter modified, or Final Income Tax Regulations are promulgated in substitution for such Temporary Income Tax Regulations, and such modifications or such Final Income Tax Regulations modify or delete any element of the covenants contained in subparagraph (b) above, the Company shall be relieved of its obligation to comply with such covenants to the extent of such modification or deletion. In the event such modifications or Final Income Tax Regulations impose additional requirements which are applicable to the Bonds, the Company hereby covenants and agrees to comply with the provisions of the Temporary Income Tax Regulations, as modified, or with such Final Income Tax Regulations.

Section 5.9. Covenants of the Company with Respect to Tax-Exempt Status of Bonds' Interest. The Company, for the benefit of the Issuer, the Trustee and the holders of the Bonds, hereby represents that it has not taken, or permitted to be taken on its behalf, or failed to take, and agrees that it will not take, or permit to be taken on its behalf, or fail to take any action which, if taken or omitted to be taken, would adversely affect the exemption from Federal income tax of the interest paid on the Bonds and that it will take, or require to be taken, such acts as may from time to time be required under applicable law or regulation in effect on the Date of Issuance of the Bonds to continue to exempt from Federal income tax the interest on the Bonds, except to the extent that the Bonds are held by a substantial user of the Project or a related person thereto, as those terms are used in Section 103(b) of the Internal Revenue Code.

Section 5.10. Compliance with Indenture. The Company covenants and agrees that it will not interfere with the exercise of the power and authority granted to the Trustee in the Indenture. The Company further agrees to aid in furnishing to the Issuer or the Trustee any documents,

1355 certificates or opinions that may be required under the
1356 Indenture.

1357

1358 Section 5.11. Financing Statements. The Company
1359 shall at the request of the Trustee and at the Company's own
1360 expense cause financing statements under the Indiana Uniform
1361 Commercial Code to be filed in the places required by law in
1362 order to perfect the security interests created hereunder
1363 naming the Issuer as secured party and the Trustee as assignee.
1364 From time to time, as reasonably requested by the Trustee, the
1365 Company shall furnish to the Trustee an opinion of counsel
1366 setting forth what actions, if any, should be taken by the
1367 Company or the Trustee to preserve such security interest in
1368 favor of the Trustee, and the right, title and interest of the
1369 Trustee in and to Trust Estate created under the Indenture.
1370 The Company shall execute and file or cause to be executed and
1371 filed all further instruments as shall be required by law to
1372 preserve such security interests, and shall furnish
1373 satisfactory evidence to the Trustee of the filing and refiling
1374 of such instruments.

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1378 ARTICLE VI.
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1380 EVENTS OF DEFAULT AND REMEDIES
1381

1382 Section 6.1. Events of Default Defined. The
1383 following shall be "Events of Default" hereunder and the term
1384 "Event of Default" shall mean, whenever it is used herein, any
1385 one or more of the following events:
1386

1387 (a) failure by the Company to make any payment
1388 required to be made by the Company under Section 4.2, 4.3,
1389 7.1, 7.2 or 7.3 hereunder when the same becomes due and
1390 payable;
1391

1392 (b) failure by the Company to comply with the
1393 provisions of Section 5.2;
1394

1395 (c) failure by the Company to observe and/or perform
1396 any agreement hereunder on its part to be observed and/or
1397 performed, other than as referred to in subsection (a) or
1398 (b) of this Section, for a period of sixty (60) days after
1399 written notice, specifying such failure and requesting
1400 that it be remedied, given to the Company by the Issuer or
1401 the Trustee, unless the Issuer and the Trustee shall agree
1402 in writing to an extension of such time prior to its
1403 expiration; provided, however, if the failure stated in
1404 the notice cannot be corrected within the applicable
1405 period, the Issuer and the Trustee will not unreasonably
1406 withhold their consent to an extension of such time if it
1407 is possible to correct such failure and corrective action
1408 is instituted by the Company within the applicable period
1409 and diligently pursued until the failure is corrected; or
1410 in the case of any such default which can be cured with
1411 due diligence but not within such sixty-day period, the
1412 Company's failure to proceed promptly to cure such default
1413 and thereafter prosecute the curing of such default with
1414 due diligence;
1415

1416 (d) the Company shall (i) apply for or consent to
1417 the appointment of, or the taking of possession by, a
1418 receiver, custodian, trustee or liquidator of the Company
1419 or of all or a substantial part of its property, (ii)
1420 admit in writing its inability, or be generally unable, to
1421 pay its debts as such debts become due, (iii) make a
1422 general assignment for the benefit of its creditors, (iv)
1423 commence a voluntary case under the Federal Bankruptcy
1424 Code (as now or hereafter in effect), (v) file a petition
1425 seeking to take advantage of any other law relating to
1426
1427

1429 bankruptcy, insolvency, reorganization, winding-up, or
1430 composition or adjustment of debts, (vi) fail to
1431 controvert in a timely or appropriate manner, or acquiesce
1432 in writing to, any petition filed against the Company in
1433 an involuntary case under said Federal Bankruptcy Code, or
1434 (vii) take any corporate action for the purpose of
1435 effecting any of the foregoing;
1436

1437 (e) a proceeding or case shall be commenced, without
1438 the application or consent of the Company, in any court of
1439 competent jurisdiction, seeking (i) the liquidation,
1440 reorganization, dissolution, winding-up, or composition or
1441 adjustment of debts, of the Company, (ii) the appointment
1442 of a trustee, receiver, custodian, liquidator or the like
1444 of the Company or of all or any substantial part of its
1445 assets, or (iii) similar relief in respect of the Company
1446 under any law relating to bankruptcy, insolvency,
1447 reorganization, winding-up, or composition or adjustment
1448 of debts, and such proceeding or case shall continue
1449 undismissed, or an order, judgment or decree approving or
1450 ordering any of the foregoing shall be entered and
1451 continue unstayed and in effect, for a period of ninety
1452 (90) days from commencement of such proceeding or case or
1453 the date of such order, judgment or decree, or an order
1454 for relief against the Company shall be entered in an
1455 involuntary case under said Federal Bankruptcy Code; and
1457

1458 (f) an "Event of Default" occurs and is continuing
1459 under the Indenture.
1460

1461 The foregoing provisions of subsection (c) of this
1462 Section are subject to the following limitations: If by reason
1463 of "force majeure" the Company is unable in whole or in part to
1464 carry out the agreements on its part therein referred to, the
1465 failure to perform such agreements due to such inability shall
1466 not constitute an Event of Default nor shall it become an Event
1467 of Default upon appropriate notification to the Company and/or
1468 the passage of the stated period of time. The term force
1469 majeure" as used herein shall mean, without limitation, the
1470 following: acts of God; strikes, lockouts or other industrial
1471 disturbances; acts of public enemies; orders of any kind of the
1472 government of the United States of America or any of its
1473 departments, agencies, political subdivisions or officials, or
1474 any civil or military authority; insurrections; riots;
1475 epidemics; landslides; lightning; earthquakes; fires;
1476 hurricanes; tornadoes; storms; floods; washouts; droughts;
1477 arrests; restraint of government and people; civil
1478 disturbances; explosions; breakage or accident to machinery,
1479 transmission pipes or canals; partial or entire failure of

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1480 utilities; or any other cause or event not reasonably within
1481 the control of the Company. The Company agrees, however, to
1482 remedy with all reasonable dispatch the cause or causes
1483 preventing the Company from carrying out its agreements;
1484 provided, that the settlement of strikes, lockouts and other
1485 industrial disturbances shall be entirely within the discretion
1486 of the Company, and the Company shall not be required to make
1487 settlement of strikes, lockouts and other industrial
1488 disturbances by acceding to the demands of the opposing party
1489 or parties when such course is, in the judgment of the Company,
1490 unfavorable to the Company.

1491

1492 Section 6.2. Remedies.

1493

1494 (a) Upon the occurrence of an Event of Default under
1495 Section 6.1(d) or (e), all payments required to be made by the
1496 Company under Section 4.2 shall become automatically due and
1497 payable, without any action or declaration of acceleration by
1498 the Trustee. Upon the occurrence of any other Event of Default
1499 hereunder, the Trustee may, in accordance with the provisions
1500 of the Indenture and upon the acceleration of payment of
1501 principal of and interest on the Bonds pursuant to Section 1002
1502 of the Indenture shall in accordance with the provisions of the
1503 Indenture, by notice in writing delivered to the Issuer and the
1504 Company, declare all payments required to be made by the
1505 Company under Section 4.2 to be immediately due and payable,
1506 whereupon the same shall become immediately due and payable.

1508

1509 (b) Upon the occurrence of an Event of Default, the
1510 Trustee shall have the power to proceed with any right or
1511 remedy granted by the Constitution and laws of the State, as it
1512 may deem best, including any suit, action or special proceeding
1513 in equity or at law, for the specific performance of any
1514 agreement contained herein or for the enforcement of any proper
1515 legal or equitable remedy as the Trustee shall deem most
1516 effectual to protect the rights of the bondholders.

1517

1518 (c) Any amounts collected pursuant to actions taken
1519 under this Section shall be paid into the Bond Fund and applied
1520 in accordance with the provisions of the Indenture.

1521

1522 Section 6.3. No Remedy Exclusive. No remedy herein
1523 conferred upon or reserved to the Trustee is intended to be
1524 exclusive of any other remedy, but each and every such remedy
1525 shall be cumulative and shall be in addition to every other
1526 remedy hereunder or now or hereafter existing at law, in equity
1527 or by statute. No delay or omission to exercise any right or
1528 power accruing upon the occurrence of any Event of Default
1529 shall impair any such right or power or shall be construed to

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1530 be a waiver thereof, but any such right or power may be
1531 exercised from time to time and as often as may be deemed
1532 expedient. The Trustee and the holders of the Bonds, subject
1533 to the provisions of the Indenture, shall be entitled to the
1534 benefit of all agreements herein contained.

1535

1536 Section 6.4. Agreement to Pay Counsel Fees and
1537 Expenses. If there should occur a Default or an Event of
1538 Default hereunder and the Trustee or the Issuer should employ
1539 Counsel or incur other expenses for the collection of sums due
1540 hereunder or the enforcement of performance or observance of
1541 any agreement on the part of the Company herein contained, the
1542 Company agrees that it will on demand therefor pay to the
1543 Trustee or the Issuer the reasonable fees of such Counsel and
1544 such other reasonable expenses so incurred by the Trustee or
1545 the Issuer. The provisions of this Section shall survive the
1546 termination of this Agreement.

1547

1548 Section 6.5. Waiver of Events of Default and
1549 Rescission of Acceleration. If, in compliance with the
1550 requirements of Section 1111 of the Indenture, the Trustee
1551 shall waive any Event of Default under the Indenture and its
1552 consequences or rescind any declaration of acceleration of
1553 payments of the principal of and interest on the Bonds, such
1554 waiver shall also waive any corresponding Event of Default
1555 hereunder and its consequences and such rescission of a
1556 declaration of acceleration of the principal of and interest on
1557 the Bonds shall also rescind any declaration of any
1558 acceleration of all payments required to be made under
1558 Section 4.2. In case of any such waiver or rescission, or in
1559 case any proceeding taken by the Trustee on account of any such
1560 Event of Default shall have been discontinued or abandoned or
1562 determined adversely, then and in every such case the Issuer,
1563 the Company, the Trustee and the holders of the Bonds shall be
1564 restored to their former positions and rights hereunder, but no
1565 such waiver or rescission shall extend to any subsequent or
1566 other Event of Default or impair any right consequent thereon.

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1570 ARTICLE VII.

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1572 PREPAYMENT UNDER AGREEMENT
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1574 Section 7.1. Option to Prepay Amounts Under
1575 Agreement in Whole in Certain Events. The Company shall have,
1576 and is hereby granted, the option to prepay the amount required
1577 to be paid by the Company under Section 4.2 in whole and to
1578 direct the Trustee to redeem the Bonds in whole if any of the
1579 events described in Section 301 of the Indenture under the
1579 caption "Extraordinary Optional Redemption" shall have
1580 occurred.

1581
1582 To exercise such option, the Company (i) shall,
1583 within one hundred eighty (180) days following the event giving
1584 rise to the Company's desire to exercise such option, deliver
1585 to the Issuer and to the Trustee a certificate, executed by an
1586 officer of the Company, (A) stating the event giving rise to
1587 the exercise of such option, (B) directing the Trustee to
1588 redeem all of the Bonds in accordance with the provisions of
1589 the Indenture, and (C) stating the date upon which such
1590 redemption is to be made, which date shall not be less than
1591 forty-five (45) days nor more than ninety (90) days from the
1592 date such notice is mailed. Upon the receipt of such notice,
1593 the Trustee shall make arrangements for the giving of the
1594 required notice of redemption. On or before the redemption
1595 date, the Company shall pay to the Trustee, for deposit in the
1596 Bond Fund, an amount sufficient to enable the Trustee to redeem
1597 the Bonds in whole at the redemption price then in effect under
1598 the Indenture. In addition, the Company shall pay all
1599 reasonable fees and expenses of the Trustee accrued and to
1600 accrue through such redemption date.

1601
1602 Section 7.2. Other Options to Prepay Amounts Under
1603 Agreement.
1604

1605 (a) During any Daily, Weekly, Monthly or Quarterly
1606 Rate Period, the Company shall have, and is hereby granted, the
1607 option to prepay the amounts required to be paid under Section
1608 4.2 in whole or in part on any Interest Payment Date and to
1609 direct the Trustee to redeem the Bonds in whole or in part on
1610 such date. To exercise such option, the Company shall, not
1611 less than thirty-five (35) days nor more than sixty (60) days
1612 next preceding the desired redemption date, give written notice
1613 to the Issuer and the Trustee of its intention to prepay the
1614 amounts required to be paid under Section 4.2 in whole or in
1615 part and shall specify therein the desired redemption date for
1616 the Bonds. Upon receipt of such notice, the Trustee shall make

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1617 arrangements for the giving of the required notice of
1618 redemption of the Bonds. On or before the redemption date, the
1619 Company shall pay to the Trustee, for deposit in the Bond Fund,
1620 an amount sufficient to enable the Trustee to redeem the Bonds
1621 in whole or in part at the redemption price then in effect
1622 under Section 301 of the Indenture. In addition, the Company
1623 shall pay all reasonable fees and expenses of the Trustee
1624 accrued and to accrue through such redemption date.

1625
1626 (b) During a Long Rate Period or after Fixed Rate
1627 Conversion, the Company shall have, and is hereby granted, the
1628 option to prepay the amounts required to be paid under
1628 Section 4.2 in whole at any time or in part on any Interest
1629 Payment Date, and to direct the Trustee to redeem the Bonds
1630 then subject to redemption in whole or in part on such date.
1631 To exercise such option, the Company shall, not less than
1633 thirty-five (35) days nor more than sixty (60) days next
1634 preceding the desired redemption date, give written notice to
1635 the Issuer and the Trustee of its intention to prepay the
1636 amounts required to be paid under Section 4.2 in whole or in
1637 part and shall specify therein the desired redemption date for
1638 the Bonds. Upon receipt of such notice, the Trustee shall make
1639 arrangements for the giving of the required notice of
1640 redemption of the Bonds. On or before the redemption date, the
1641 Company shall pay to the Trustee, for deposit in the Bond Fund,
1642 an amount sufficient to enable the Trustee to redeem the Bonds
1643 in whole or in part at the redemption price then in effect
1644 under Section 301 of the Indenture. In addition, the Company
1645 shall pay all reasonable fees and expenses of the Trustee
1646 accrued and to accrue through such redemption date.

1647
1648 (c) The Company shall also have the option to prepay
1649 the amounts required to be paid by the Company under
1649 Section 4.2 in whole at any time by (i) depositing irrevocably
1650 with the Trustee either moneys in an amount which shall be
1651 sufficient, or Government Obligations the principal of and
1652 interest on which when due will provide moneys which, together
1653 with the moneys, if any, deposited with or held by the Trustee
1654 at the same time and available for such purpose, shall be
1655 sufficient pursuant to the Indenture, to pay the principal of
1656 and interest on all of the Bonds due and to become due on or
1657 prior to the redemption date (if the Bonds are to be redeemed)
1658 or maturity thereof, (ii) paying the reasonable fees and
1659 expenses of the Trustee due in connection with the payment or
1660 redemption of any such Bonds, and (iii) if any Bonds are to be
1661 redeemed on any date prior to their maturity, giving the
1662 Trustee irrevocable instructions to redeem such Bonds on such
1663 date and either evidence satisfactory to the Trustee that all
1664 redemption notices required by the Indenture have been given or

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1666 irrevocable power authorizing the Trustee to give such
1667 redemption notices.

1668

1669 Section 7.3. Obligation to Prepay Amounts Under
1670 Agreement Upon Determination of Taxability. Upon the
1671 occurrence of an event described under the caption "Special
1672 Mandatory Redemption" in Section 301 of the Indenture, not
1673 later than one hundred eighty (180) days following the date of
1674 the Determination of Taxability, the Company shall be obligated
1675 to prepay all amounts required to be paid under Section 4.2 in
1676 whole and to make such other payments as shall be sufficient to
1677 enable the Trustee to redeem the Bonds in whole at the
1678 redemption price then in effect under the Indenture and to make
1679 all other payments required under the Indenture.

1681

1682 Promptly upon learning of the occurrence of a
1683 Determination of Taxability, the Trustee shall make
1684 arrangements for the giving of the required notice of
1685 redemption, and in such notice, the Trustee may make provisions
1686 for obtaining advice from bondholders, in such form as shall be
1687 deemed appropriate, respecting relevant assessments made on
1688 such bondholders by the Internal Revenue Service, so as to be
1689 able, if appropriate, to verify the existence, present or
1690 future, of the occurrence of the Determination of Taxability
1691 and the amount of payments to be made to the holder or former
1692 holders of the Bonds pursuant to the Indenture. A copy of such
1693 notice shall be given to the Issuer and the Company.

1694

1695 Not later than one hundred eighty (180) days after
1695 the date of a Determination of Taxability, the Trustee shall
1696 apply the accelerated payments made by the Company hereunder to
1697 the redemption of Bonds in accordance with the Indenture.

1699

1700 Upon the redemption date contemplated by this
1700 Section, provided there has been deposited with the Trustee the
1701 total amount as required, such amount shall constitute the
1702 total compensation due the Issuer and the holders of the Bonds
1703 as a result of an occurrence of such Determination of
1704 Taxability and the Company shall not be deemed to be in Default
1705 hereunder by reason of the occurrence of such Determination of
1706 Taxability.

1707

1708 Upon the occurrence of a Determination of Taxability,
1709 any other option of the Company to prepay the amounts required
1710 to be paid under Section 4.2 shall be superseded by its
1711 obligation to prepay the installment amounts required to be
1712 paid under Section 4.2 pursuant to this Section as herein set
1713 forth.

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ARTICLE VIII.

MISCELLANEOUS

Section 8.1. Term of Agreement. This Agreement shall terminate when Payment in Full of the Bonds shall have been made.

Section 8.2. Notices. All notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered or mailed by first class registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

(a) If to the Issuer - City of Fort Wayne, Indiana
Attention: Fort Wayne Economic
Development Commission
One Main Street
Fort Wayne, Indiana 46802

(b) If to the Company - General Motors Corporation
767 Fifth Avenue
New York, New York 10153
Attention: Treasurer

and

General Motors Corporation
3044 West Grand Boulevard
Detroit, Michigan 48202
Attention: General Counsel

(c) If to the Trustee - The First National Bank of
Chicago
Attention: Corporate Trust
Division
One First National Plaza
Suite 0126
Chicago, Illinois 60670

(d) If to the Co-Trustee: - Summit Bank of Fort Wayne
Attention: Corporate Trust
Department
915 South Clinton Street
Fort Wayne, Indiana 46801

1797 A duplicate copy of each notice, approval, consent, request or
1798 other communication given hereunder by the Issuer, the Company,
1799 the Trustee or the Co-Trustee to any one of the others shall
1800 also be given to all of the others. The Issuer, the Company,
1801 the Trustee and the Co-Trustee may, by notice given hereunder,
1804 designate any further or different addresses to which
1805 subsequent notices, approvals, consents, requests or other
1806 communications shall be sent or persons to whose attention the
1807 same shall be directed.

1808
1809 Section 8.3. Binding Effect. This Agreement shall
1810 inure to the benefit of and shall be binding upon the Issuer,
1810 the Company and their respective successors and assigns.

1812
1813 Section 8.4. Severability. If any provision hereof
1814 shall be held invalid or unenforceable by any court of
1814 competent jurisdiction, such holding shall not invalidate or
1815 render unenforceable any other provision hereof.

1817
1818 Section 8.5. Amendments, Changes and Modifications.
1819 Except as otherwise provided herein or in the Indenture,
1820 subsequent to the date of issuance and delivery of the Bonds
1820 and prior to Payment in Full of the Bonds, this Agreement may
1821 not be effectively amended or terminated without the written
1822 consent of the Issuer, the Company and the Trustee.

1824
1825 Section 8.6. Counterparts. This Agreement may be
1826 executed in any number of counterparts, each of which shall be
1827 deemed to be an original, but all of which together shall
1828 constitute one and the same instrument.

1829
1830 Section 8.7. Captions. The captions and headings
1831 herein are for convenience only and in no way define, limit or
1832 describe the scope or intent of any provisions hereof.

1833
1834 Section 8.8. Law Governing Construction of
1834 Agreement. This Agreement shall be governed by, and construed
1835 in accordance with, the laws of the State.

1837
1838 Section 8.9. Payments on Non-Business Days. If any
1839 payment required hereunder is due on a date not a Business Day,
1840 payment shall be made on the next succeeding Business Day with
1841 the same force and effect as if made on the date fixed for such
1842 payment, and no interest shall accrue on such amount for the
1843 period after such date.

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1845 IN WITNESS WHEREOF, the Issuer and the Company have
1846 caused this Agreement to be executed in their respective names
1847 and their respective seals to be affixed hereto and attested by
1848 their authorized officers, all as of the date first above
1848 written.

1849

1849

1852

1853 [SEAL]

1854 Attest:

1855

1856 By: _____

1857 City Clerk

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1859

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1860 [SEAL]

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CITY OF FORT WAYNE,
INDIANA

By: _____

Mayor

GENERAL MOTORS CORPORATION

By: Leon J. Krain
Treasurer,

By: _____

Attorney-in-Fact
Pursuant to Power of
Attorney

EXHIBIT "A"

to

Loan Agreement between
CITY OF FORT WAYNE, INDIANA
and
GENERAL MOTORS CORPORATION,
dated as of November 1, 1985

PROJECT SUMMARY:

[illegible]

25
26
27

EXHIBIT "B"

to

Loan Agreement between
CITY OF FORT WAYNE, INDIANA
and
GENERAL MOTORS CORPORATION,
dated as of November 1, 1985

REQUISITION AND CERTIFICATION

Request No. _____ Date: _____

The First National Bank of Chicago
under the Trust Indenture,
dated as of November 1, 1985
relating to City of Fort Wayne,
Indiana Pollution Control Revenue Bonds
(General Motors Corporation Project),
Series 1985

Attention:

The undersigned Authorized Company Representative
designated pursuant to the terms of a Loan Agreement, dated as
of November 1, 1985 (the Agreement), between the City of Fort
Wayne, Indiana (the Issuer) and General Motors Corporation
hereby requests that there be paid from the Project Fund
(hereinbelow described) the sum of _____, and in that
connection with respect to the use of the proceeds of the
Issuer's Pollution Control Revenue Bonds (General Motors
Corporation Project), Series 1985 (the Bonds"), DOES HEREBY
CERTIFY, as follows:

1. The requested payment is a proper charge against
the City of Fort Wayne, Indiana Project Fund - General
Motors Corporation Project, 1985 and has not been the
basis of any previous withdrawal from said Project Fund.

2. Payment should be made to:

Name:

Address:

1942 3. Attached hereto is a bill, statement of account
1942 or a schedule showing in reasonable detail the items with
1943 respect to which payment is being requested, and, if the
1944 Company is to be reimbursed, proof of payment of such items is
1945 attached hereto, which proof is satisfactory to the undersigned
1946 and the Trustee may act thereon.

1948
1949 4. The obligation described herein represents a Cost
1950 of the Project (defined in the Agreement) and has been properly
1951 incurred in connection with the issuance of the Bonds or the
1952 acquisition, construction and installation of the Project.

1954
1955 5. The obligation described herein is a proper
1955 charge against the Project Fund and has not been the basis for
1956 any previous withdrawal from the Project Fund.

1958
1959 6. Insofar as such requisition relates to labor,
1960 services, materials, supplies and/or equipment, (i) such labor
1961 and/or services were actually performed in a satisfactory
1962 manner and (ii) such materials, supplies and/or equipment were
1963 actually used in or about the Project or delivered to the
1964 Project site for that purpose.

1965
1966 7. Payment of this requisition, when added to all
1967 other payments previously made from the Project Fund, will not
1968 result in less than substantially all of the net proceeds of
1969 the sale of the Bonds expended as of the date hereof being used
1970 to provide "air or water pollution control facilities" or
1971 "solid waste disposal facilities" within the meaning of Section
1973 103(b)(4) of the Internal Revenue Code of 1954, as amended.

1975
1976 8. This requisition contains no request for payment
1977 on account of any portion of such obligation which the Company
1978 is, as of the date hereof, entitled to retain under retained
1979 percentage agreements.

1980
1981 9. The obligation does not represent a cost paid or
1982 incurred by the Issuer or the Company prior to June 11, 1985.

1983
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1987 By: _____
1988 Authorized Company
1989 Representative
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EXHIBIT "C"

to
Loan Agreement between
CITY OF FORT WAYNE, INDIANA
and
GENERAL MOTORS CORPORATION,
dated as of November 1, 1985

CERTIFICATE OF COMPLETION

The undersigned Authorized Company Representative designated pursuant to the terms of a Loan Agreement, dated as of November 1, 1985 (the "Agreement"), between the City of Fort Wayne, Indiana and General Motors Corporation, a Delaware corporation (the "Company"), DOES HEREBY CERTIFY, as follows:

1. The acquisition, construction and installation of the Project have been completed in accordance with the Project Summary (defined in the Agreement) have been paid in full.

2. The Project and all other facilities in connection therewith have been acquired, constructed and installed to my satisfaction and are suitable and sufficient for the efficient operation of the Project for its intended purposes.

3. Substantially all of the net proceeds of the sale of the Bonds have been used to provide "air or water pollution control facilities" or "solid waste disposal facilities" within the meaning of Section 103(b)(4) of the Internal Revenue Code of 1954, as amended.

This the _____ day of _____, 19__.

GENERAL MOTORS CORPORATION

By: _____
Authorized Company
Representative

0395G

EXHIBIT B

Preliminary Draft
Dated: October 29, 1985

TRUST INDENTURE

between

CITY OF FORT WAYNE, INDIANA

and

THE FIRST NATIONAL BANK OF CHICAGO
as Trustee

and

SUMMIT BANK OF FORT WAYNE
as Co-Trustee

Dated as of November 1, 1985

Relating to \$31,000,000

City of Fort Wayne, Indiana
Pollution Control Revenue Bonds
(General Motors Corporation Project),
Series 1985

This instrument was prepared by:

KING & SPALDING
2500 Trust Company Tower
Atlanta, Georgia 30303
(404) 572-4600

TRUST INDENTURE

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(The Table of Contents for this Trust Indenture is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Trust Indenture.)

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31 TRUST INDENTURE
32
32

35 THIS TRUST INDENTURE (this "Indenture"), dated as of
36 November 1, 1985, made and entered into by and between the CITY
37 OF FORT WAYNE, INDIANA (the "Issuer") and THE FIRST NATIONAL
38 BANK OF CHICAGO, as trustee (the "Trustee"), and SUMMIT BANK OF
39 FORT WAYNE, as co-trustee (the "Co-Trustee"),
40
40

42 W I T N E S S E T H:
43
43

44 WHEREAS, the Issuer is authorized and empowered under
45 the provisions of Indiana Code, Section 36-7-12-1, et seq., and
46 the acts amendatory thereof and supplemental thereto (the
47 Act"), to issue its revenue bonds to finance the costs of the
48 acquisition, construction and installation of any "project" (as
49 defined in the Act), including air and water pollution control
50 facilities, solid waste disposal facilities and related
51 facilities, in furtherance of the purposes to be served by the
52 Act; and
53

54 WHEREAS, the Issuer desires to issue its \$31,000,000
55 aggregate principal amount of the City of Fort Wayne, Indiana
56 Pollution Control Revenue Bonds (General Motors Corporation
57 Project), Series 1985 (the "Bonds"); and
58

59 WHEREAS, the Issuer will loan the proceeds of the
60 sale of the Bonds to General Motors Corporation, a Delaware
61 corporation (the "Company"), to enable the Company to finance
62 the costs of the acquisition, construction and installation of
63 certain air and water pollution control facilities, solid waste
64 disposal facilities and related facilities (the "Project") at
65 the Company's truck assembly plant in Fort Wayne, Indiana; and
66

67 WHEREAS, the Issuer will enter into a Loan Agreement,
68 dated as of November 1, 1985 (the "Agreement"), with the
69 Company, under the terms of which the Company will agree to pay
70 to the Issuer moneys sufficient (i) to pay the principal of,
71 and the redemption premium (if any) and the interest on, the
72 Bonds as the same become due and payable, (ii) to pay the
73 purchase price of any Bonds required to be purchased pursuant
74 to this Indenture, and (iii) to pay certain administrative
75 expenses in connection with the Bonds; and
76

77 WHEREAS, as security for the payment of the Bonds,
78 the Issuer will assign and pledge to the Trustee and the
79 Co-Trustee under the terms of this Indenture certain rights,
20

80 title and interest of the Issuer in (i) the Agreement, (ii) the
81 "Pledged Revenues" (hereinafter defined), and (iii) all amounts
82 on deposit from time to time in the "Project Fund" and the
83 "Bond Fund" (both hereinafter defined); and
84

85 WHEREAS, all things necessary to make the Bonds, when
86 authenticated by the Trustee and issued and delivered as in
87 this Indenture provided, the legal, valid, binding and
88 enforceable special obligations of the Issuer, according to the
89 import thereof, and to create a valid assignment and pledge of
90 the Pledged Revenues to the payment of (i) the principal of,
91 and the redemption premium (if any) and the interest on, the
92 Bonds, (ii) the purchase price of any Bonds required to be
93 purchased pursuant to this Indenture, and (iii) all other
94 amounts payable by the Issuer pursuant to the terms of the
95 Bonds and/or this Indenture, and a valid assignment of certain
96 of the rights, title and interest of the Issuer in the
97 Agreement, have been done and performed, and the execution and
98 delivery of this Indenture and the execution, issuance and
99 delivery of the Bonds, subject to the terms hereof, have in all
100 respects been authorized.

101
102 NOW, THEREFORE, KNOW ALL BY THESE PRESENTS, THIS
103 INDENTURE WITNESSETH:
104

105 That the Issuer, in consideration of the premises and
106 of the acceptance by the Trustee of the trusts hereby created,
107 and of the purchase and acceptance of the Bonds by the holders
108 thereof, and the sum of TEN DOLLARS (\$10.00), lawful money of
109 the United States of America, to it paid by the Trustee and the
110 Co-Trustee, at or before the execution and delivery of these
111 presents, and for other good and valuable considerations the
112 receipt of which are hereby acknowledged, in order to secure
113 (i) the payment of the principal of, and the redemption premium
114 (if any) and the interest on, the Bonds, (ii) the Purchase
115 Price of any Bonds required to be purchased pursuant to this
116 Indenture, and (iii) all other amounts payable by the Issuer
117 pursuant to the terms of the Bonds and/or this Indenture
118 according to their tenor and effect, and to insure the
119 performance and observance by the Issuer of all the agreements
120 expressed or implied herein and in the Bonds, has given,
121 granted, assigned and pledged and does by these presents give,
122 grant, assign and pledge to the Trustee and the Co-Trustee, and
123 to their successors in the trusts hereby created, and to them
124 and their assigns forever:
125
125
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28

127 GRANTING CLAUSE I

128
129 All right, title and interest of the Issuer in the
130 Agreement, together with the Agreement itself, and all
131 amendments, modifications and renewals thereof, reserving,
132 however, the rights (a) providing that notices, approvals,
133 consents, requests and other communications be given to the
134 Issuer, and (b) of the Issuer under Sections 5.1 and 6.4 of the
135 Agreement.

136
138 GRANTING CLAUSE II

139
140 All right, title and interest of the Issuer in the
141 Pledged Revenues.

142
144 GRANTING CLAUSE III

145
146 All amounts on deposit from time to time in the Bond
147 Fund and the Project Fund, subject to the provisions of this
148 Indenture and the Agreement permitting the application thereof
149 for the purposes and on the terms and conditions set forth
150 herein and therein.

151
153 GRANTING CLAUSE IV

154
155 Any and all other property of every name and nature
156 from time to time hereafter by delivery or by writing of any
157 kind, given, granted, assigned and pledged as and for
158 additional security hereunder, by the Issuer or by anyone in
159 its behalf or with its written consent, to the Trustee and the
160 Co-Trustee, which is hereby authorized to receive any and all
161 such property at any and all times and to hold and apply the
162 same subject to the terms hereof; except for moneys and
163 securities held by the Trustee in the Excess Investment
164 Earnings Account (hereinafter defined).

165
166 TO HAVE AND TO HOLD all the same with all privileges
167 and appurtenances hereby given, granted, assigned and pledged
168 or agreed or intended so to be, to the Trustee and the
169 Co-Trustee and their successors in said trusts and to them and
170 their assigns forever.

171
172 IN TRUST, NEVERTHELESS, upon the terms and trusts
173 herein set forth, for the equal and proportionate benefit,
174 security and protection of all holders of the Bonds issued or
175 to be issued under and secured by this Indenture, without
176 preference, priority or distinction as to lien or otherwise of
177 any of the Bonds over any of the others except as herein
178 expressly provided.

180 PROVIDED, HOWEVER, that upon Payment in Full of the
181 Bonds (as hereinafter defined), then this Indenture and the
182 rights hereby granted shall cease, determine and be void except
183 to the extent provided in Article IX hereof; otherwise, this
184 Indenture shall be in full force and effect.

186 THIS INDENTURE FURTHER WITNESSETH and it is expressly
187 declared that all Bonds issued and secured hereunder are to be
188 issued, authenticated and delivered and all property hereby
189 given, granted, assigned or pledged is to be dealt with and
190 disposed of under, upon and subject to the terms, conditions,
191 stipulations, agreements, trusts, uses and purposes as
192 hereinafter expressed, and the Issuer has agreed and DOES
193 HEREBY AGREE with the Trustee and the Co-Trustee and with the
194 respective holders, from time to time, of the Bonds or any part
195 thereof, as follows, that is to say:

198 ARTICLE I.

199
200 DEFINITIONS AND CERTAIN RULES OF INTERPRETATION

201
202 Section 101. Definitions. In addition to the words
203 and terms elsewhere defined herein, the following words and
204 terms as used herein shall have the following meanings unless
205 the context or use clearly indicates another or different
206 meaning or intent:

207
208 "Act" means Indiana Code, Section 36-7-12-1, et
209 seq., and the acts amendatory thereof and supplemental thereto.

210
211 "Adjusted Rate" means the rate of interest payable on
212 the Bonds prior to Fixed Rate Conversion, determined for each
213 Interest Rate Period as provided in Section 203 hereof.

214
215 "Agreement" means the Loan Agreement, dated as of
216 November 1, 1985, between the Issuer and the Company, including
217 any amendments thereto.

218
219 "Authorized Company Representative" means the
220 Authorized Company Representative as defined in the Agreement.

221
222 "Bond Counsel" means a firm of nationally recognized
223 attorneys at law experienced in the financing of facilities for
224 nonexempt persons through the issuance of tax-exempt revenue
225 bonds under Section 103(b) of the Code.

226
227 "Bond Fund" means the Bond Fund created by Section
228 501 in which there shall be established a General Account and a
229 Special Account. Any reference herein to the "Bond Fund"
230 without further qualification shall constitute a reference to
231 the General Account.

232
233 "Bond Ordinance" means the ordinance of the Issuer
234 adopted on November 5, 1985 authorizing the issuance and sale
235 of the Bonds and authorizing the execution and delivery of the
236 Agreement and this Indenture and determining other matters in
237 connection therewith.

238
239 "Bond Purchase Fund" means the Bond Purchase Fund
240 created by Section 601 in which there shall be established a
241 General Account and a Special Account. Any reference herein to
242 the "Bond Purchase Fund" without further qualification shall
243 constitute a reference to the General Account.

296 "Counsel" means an attorney, or firm thereof,
297 admitted to practice law before the highest court of any state
298 in the United States of America or the District of Columbia.
299

300 "Daily Rate" means the rate of interest borne by the
301 Bonds in any Daily Rate Period.
302

303 "Daily Rate Period" means an Interest Rate Period
304 during which the rate of interest borne by the Bonds is
305 adjusted on each Rate Adjustment Date as set forth in Section
306 205(C) hereof.
307

308 "Date of Issuance" means the date of original
309 issuance and delivery of the Bonds hereunder.
310

311 "Day" means any day of the week, regardless of
312 whether it is a Business Day.
313

314 "Default" means an event or condition the occurrence
315 of which would, with the lapse of time or the giving of notice
316 or both, become an Event of Default.
317

318 "Event of Default" means the events specified in
319 Section 1001, subject to the terms of Section 1012.
320

321 "Excess Investment Earnings Account" means the Excess
322 Investment Earnings Account created by Section 806 hereof.
323

324 "Extraordinary Services" and "Extraordinary Expenses"
325 means all services rendered and all expenses incurred by the
326 Trustee and the Co-Trustee under this Indenture other than
327 Ordinary Services and Ordinary Expenses.
328

329 "Financing Statements" means any and all financing
330 statements (including continuation statements) filed for record
331 from time to time to perfect the security interests.
332

333 "Fixed Rate" means the rate of interest borne by the
334 Bonds after Fixed Rate Conversion.
335

336 "Fixed Rate Conversion" means the conversion of the
337 interest rate to be borne by all of the Bonds to a Fixed Rate
338 pursuant to Section 204.
339

340 "Fixed Rate Conversion Date" means the date which has
341 been designated by the Issuer as the date upon which the Bonds
342 begin to bear interest at the Fixed Rate as provided in Section
343 204 hereof, whether or not Fixed Rate Conversion actually
344 occurs on such date.
26

346 "Government Obligations" means (a) direct obligations .
347 of the United States of America for the payment of which the
348 full faith and credit of the United States of America is
349 pledged, or (b) obligations issued by a Person controlled or
350 supervised by and acting as an instrumentality of the United
351 States of America, the payment of the principal of, premium, if
352 any, and the interest on which is fully guaranteed as a full
353 faith and credit obligation of the United States of America
354 (including any securities described in (a) or (b) issued or
355 held in book-entry form on the books of the Department of the
356 Treasury of the United States of America), which obligations,
357 in either case, are not subject to redemption prior to maturity
358 at less than par by anyone other than the holder.

359
360 "Indenture" means this Trust Indenture, dated as of
361 November 1, 1985, between the Issuer and the Trustee and the
362 Co-Trustee, including any indentures supplemental hereto.

363
364 "Interest Payment Date" means each date upon which
365 interest on the Bonds is due and payable hereunder.

366
367 "Interest Rate Period" means the interval from and
368 including the Rate Adjustment Date to but excluding the next
369 subsequent Rate Adjustment Date, and may be a Daily, Weekly,
370 Monthly, Quarterly or Long Rate Period.

371
372 "Investment Company" means an investment company
373 registered under the Investment Company Act of 1940, as
374 amended.

375
376 "Issuer" means the City of Fort Wayne, Indiana, and
377 its successors and assigns.

378
379 "Long Rate" means the rate of interest borne by the
380 Bonds in any Long Rate Period.

381
382 "Long Rate Period" means an Interest Rate Period
383 equal to six (6) months or any multiple of six (6) months.

384
385 "Mandatory Tender Date" means any date on which the
386 Bonds shall be subject to mandatory tender for purchase
387 pursuant to Section 208 hereof.

388
389 "Minimum Rate" means the rate, to be determined by
390 the Rate-Setting Agent with respect to any Quarterly Rate
391 Period, Long Rate Period or Fixed Rate Conversion, below which
392 the Adjusted Rate for such Quarterly Rate Period or Long Rate
393 Period or the Fixed Rate may not be established, determined in
394 accordance with Section 203 or Section 204 hereof.

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396 "Monthly Rate" means the rate of interest borne by
397 the Bonds in any Monthly Rate Period.
398

399 "Monthly Rate Period" means an Interest Rate Period
400 during which the rate of interest borne by the Bonds is
401 adjusted on the Rate Adjustment Date as set forth in Section
402 205 (C) hereof.
403

404 "Notice by Mail" or "notice" of any action or
405 condition, unless the context otherwise specifies telephonic
406 notice, means a written notice meeting the requirements of this
407 Indenture mailed by first-class mail, postage prepaid, to the
408 registered owners of the Bonds at the addresses shown on the
409 registration books maintained by the Bond Registrar.
410

411 "Notice of Period Adjustment Date" means the notice
412 distributed to the Notice Parties and to the bondholders of a
413 new Interest Rate Period.
414

415 "Notice Parties" shall mean the Issuer, the Trustee,
416 the Co-Trustee, the Remarketing Agent, the Tender Agent, the
417 Company, the Bond Registrar, any Co-Bond Registrar, the Paying
418 Agent, any Co-Paying Agent and the Rate-Setting Agent,
419 provided, however, that with respect to any party which is
420 giving or sending a required notice hereunder, "Notice Parties"
421 shall not include the party giving or sending such notice.
422

423 "Ordinary Services" and "Ordinary Expenses" means
424 those services normally rendered and those expenses normally
425 incurred by a trustee under instruments similar hereto,
426 including, but not limited to, Counsel fees.
427

428 "Outstanding", when used with reference to the Bonds
429 at any date as of which the amount of outstanding Bonds is to
430 be determined, means all Bonds which have been authenticated
431 and delivered by the Trustee hereunder, except:
432

433 (a) Bonds cancelled or required to be cancelled by
434 the Trustee pursuant to Section 303 hereof at or prior to
435 such date;
436

437 (b) Bonds deemed to be paid in accordance with
438 Section 902;
439

440 (c) Bonds in lieu of which others have been
441 authenticated under Sections 214, 215 or 216;
442

443 (d) Undelivered Bonds; and
444

445 (e) For purposes of any consent, request, demand,
446 authorization, direction, notice, waiver or other action
447 to be taken by the holders of a specified percentage of
448 outstanding Bonds hereunder, all Bonds held by or for the
449 Issuer or the Company, except that for purposes of any
450 such consent, request, demand, authorization, direction,
451 notice, waiver or action the Trustee shall be obligated to
452 consider as not being outstanding only Bonds known by the
453 Trustee by notice thereof to be so held.
454

455 "Owner Election Notice" means a written instruction
456 of the owner of any Bond, conforming to the requirements of
457 this Indenture, delivered to the Tender Agent on or prior to
458 the date required by Section 208 hereof, evidencing such
459 owner's election to remain the holder of such Bond subsequent
460 to the Mandatory Tender Date.
461

462 "Paying Agent and "Co-Paying Agent" means the Trustee
463 and any successor Paying Agent or any Co-Paying Agent appointed
464 and serving in such capacity pursuant to this Indenture.

465 "Principal Office of the Paying Agent means, with respect to
466 the Trustee, the Principal Office of the Trustee, and with
467 respect to any successor Paying Agent or any Co-Paying Agent
468 appointed and serving in such capacity pursuant to this
469 Indenture, the principal office of such successor Paying Agent
470 or any Co-Paying Agent designated in writing to the Notice
471 Parties.
472

473 "Payment in Full of the Bonds" specifically
474 encompasses the situations referred to in Section 902.
475

476 "Period Adjustment Date" means the date on which an
477 Interest Rate Period is adjusted.
478

479 "Permitted Investments" means:
480

481 (a) Government Obligations;
482

483 (b) obligation of any state or political
484 subdivision, agency or instrumentality thereof rated in
485 the highest rating category by any national rating
486 service;
487

488 (c) certificates of deposit of national or state
489 banks which have deposits insured by the Federal Deposit
490 Insurance Corporation (including the certificates of
491 deposit of any bank acting as depository, custodian or
492 trustee for any proceeds of the Bonds); provided however,
493 that the portion of such certificates of deposit in excess
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of the amount insured by the Federal Deposit Insurance Corporation, if any, shall be secured by deposit with any Federal Reserve Bank, or with any national or state bank, of any of the obligations included in (a) above; and

(d) any other investments which in the opinion of Counsel satisfactory to the Trustee are permitted under applicable law at the time of such investment for the investment of Issuer funds.

"Person" means any natural person, corporation, cooperative, partnership, trust or unincorporated organization, government or governmental body or agency, political subdivision or other legal entity as in the context may be appropriate.

"Plant" shall mean the automobile assembly plant of the Company located in the City of Fort Wayne, Indiana.

"Pledged Revenues" means and shall include:

(a) the payments required to be made by the Company under the Agreement except payments required to be made to the Trustee, the Co-Trustee, the Bond Registrar, any Co-Bond Registrar, the Paying Agent, any Co-Paying Agent, the Tender Agent, the Remarketing Agent and the Rate-Setting Agent pursuant to Section 4.4 of the Agreement and except for expenses, indemnification and other payments required to be made pursuant to Sections 5.1 and 6.4 of the Agreement; and

(b) any proceeds which result from the exercise of any remedies by the Issuer or the Trustee pursuant to this Indenture or the Agreement.

"Project" means the Project as defined in the Agreement.

"Project Fund" means the Project Fund created by Section 701 hereof.

"Purchase Date" means (i) the Business Day designated by the owner of a Bond in a Tender Notice as the date for purchase by the Tender Agent of such Bond and which for any Interest Rate Period shall be the date set forth in Section 205 hereof and (ii) any Mandatory Tender Date.

"Purchase Price" means an amount equal to the principal amount of any Bond tendered or deemed tendered

543 pursuant to Section 206 or Section 208 hereof, plus accrued and
544 unpaid interest thereon to the Purchase Date.

545

546 "Quarterly Rate" means the rate of interest borne by
547 the Bonds in any Quarterly Rate Period.

548

549 "Quarterly Rate Period" means an Interest Rate Period
550 during which the rate of interest borne by the Bonds is
551 adjusted on the Rate Adjustment Date as set forth in Section
552 205 (C) hereof.

553

554 "Rate Adjustment Date" means the date on which the
555 interest rate on the Bonds is changed pursuant to Section 205
556 hereof.

557

558 "Rate Determination Date" means the date on which a
559 new interest rate is determined for any Daily, Weekly, Monthly,
560 Quarterly or Long Rate Period in accordance with Section 203
561 hereof.

562

563 "Rate-Setting Agent" means Morgan Stanley & Company
564 Incorporated and its successors and assigns appointed pursuant
565 to Section 1120 hereof.

566

567 "Record Date" means, with respect to any Interest
568 Payment Date in a Long Rate Period or after Fixed Rate
569 Conversion, the close of business on the fifteenth (15th) day
570 of the month next preceding such Interest Payment Date, or, if
571 such day shall not be a Business Day, the immediately preceding
572 Business Day, and with respect to any Interest Payment Date in
573 a Daily, Weekly, Monthly or Quarterly Rate Period, the close of
574 business on the Business Day immediately preceding such
575 Interest Payment Date.

576

577 "Remarketing Agent" means the Remarketing Agent
578 appointed and serving in such capacity pursuant to this
579 Indenture. "Principal Office" of the Remarketing Agent means
580 the principal office of the Remarketing Agent designated in
581 writing to the Notice Parties.

582

583 "Related Person", with reference to any Substantial
584 User, means a "related person" within the meaning of Section
585 103(b) of the Code.

586

587 "Replacement Bonds" means any Bonds issued pursuant
588 to Section 216 hereof.

589

590 "Responsible Officer" when used with respect to the
591 Trustee or Co-Trustee means the Chairman or Vice-Chairman of

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592 the board of directors, the Chairman or Vice-Chairman of the
593 executive committee of the board of directors, the President,
594 any Vice President, the Secretary, any Assistant Secretary, the
595 Treasurer, any Assistant Treasurer, the Cashier, any Assistant
596 Cashier, any Senior Trust Officer and any Trust Officer, the
597 Controller and any Assistant Controller or any other officer of
598 the Trustee or Co-Trustee customarily performing functions
599 similar to those performed by any of the above designated
600 officers and also means, with respect to a particular corporate
601 trust matter, any other officer to whom such matter is referred
602 because of his knowledge of and familiarity with the particular
603 subject.

604
605 "Security interest" or "security interests" refer to
606 the security interests created herein and shall have the
607 meanings set forth in the U.C.C.

608
609 "Short Rate Period" means any Interest Rate Period
610 during which the Bonds bear interest at a Daily Rate, Weekly
611 Rate or Monthly Rate.

612
613 "State" means the State of Indiana.

614
615 "Substantial User" means, with respect to any
616 "facilities" (as the term "facilities" is used in Section
617 103(b)(6) (E) of the Code), a "substantial user" of such
618 facilities within the meaning of Section 103(b)(13) of the
619 Code.

620
621 "Tender Agent" means the Tender Agent appointed and
622 serving in such capacity pursuant to this Indenture. "Principal
623 Office" of the Tender Agent means the principal office of the
624 Tender Agent designated in writing to the Notice Parties.

625
626 "Tender Notice" means written notice of an owner
627 delivered to the Tender Agent or in the case of the Daily Rate
628 Period, irrevocable telephone notice by an owner to the
629 Remarketing Agent evidencing an owner's election to tender
630 Bonds all in accordance with Section 206 hereof.

631
632 "Trust Estate" means the property described in the
633 granting clauses hereof.

634
635 "Trustee" means The First National Bank of Chicago, a
636 banking association organized and existing under and by virtue
637 of the laws of the United States of America, or any successor
638 Trustee under this Indenture. "Principal Office of the
639 Trustee" means the principal corporate trust office of Trustee,
640 which office on the Date of Issuance is located at One First

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641 National Plaza, Suite 0126, Chicago, Illinois 60670, and upon
642 appointment of any successor Trustee under this Indenture,
643 Principal Office of the Trustee means the principal corporate
644 trust office of any such successor Trustee.

645
646 "U.C.C." means the Uniform Commercial Code of the
647 State, as amended.

648
649 "Undelivered Bonds" means (1) Bonds which are deemed
650 to have been purchased as provided in Section 209 hereof or
651 (2) Bonds for which a Tender Notice has been received, but, in
652 either case, which have not been surrendered to the Tender
653 Agent.

654
655 "Weekly Rate" means the rate of interest borne by the
656 Bonds in any Weekly Rate Period.

657
658 "Weekly Rate Period" means an Interest Rate Period
659 during which the rate of interest borne by the Bonds is
660 adjusted on the Rate Adjustment Date as set forth in
661 Section 205(C) herein.

662
663 Section 102. Certain Rules of Interpretation. The
664 definitions set forth in Section 101 or elsewhere in this
665 Indenture shall be equally applicable to both the singular and
666 plural forms of the words and terms therein defined and shall
667 cover all genders.

668
669 "Herein", "hereby", "hereunder", "hereof",
670 "hereinbefore", "hereinafter" and other equivalent words refer
671 to this Indenture and not solely to the particular Article,
672 Section or subdivision hereof in which such word is used.

673
674 Reference herein to an Article number (e.g.,
675 Article IV) or a Section number (e.g., Section 702) shall be
676 construed to be a reference to the designated Article number or
677 Section number hereof unless the context or use clearly
678 indicates another or different meaning or intent.

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ARTICLE II.

THE BONDS

Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. Pursuant to the Bond Resolution, the total principal amount of Bonds that may be issued and outstanding hereunder is expressly limited to \$31,000,000, subject to the provisions of Sections 214, 215 and 216.

Section 202. Issuance of Bonds. The Bonds (i) shall be designated the City of Fort Wayne, Indiana Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985, (ii) as originally issued hereunder shall be dated November 1, 1985, (iii) shall bear interest from the date thereof, until paid, at the rates set forth in Section 203, and (iv) shall mature, unless sooner paid, on November 1, 2005, on which date all unpaid principal, redemption premium and interest on the Bonds shall be due and payable.

The Bonds shall be issued as registered Bonds without coupons. The Bonds shall be issued in denominations of \$5,000 each or any integral multiple thereof. The Bonds shall be numbered consecutively from R-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Bond Registrar.

The Bonds as originally issued hereunder shall be dated November 1, 1985 and thereafter shall be dated the date on which they are authenticated, unless if at the time of authentication and delivery of any Bond, interest is in default in which case such Bond shall be dated the date to which interest has been paid or provided for.

The principal of and the redemption premium (if any) and the interest on the Bonds shall be payable in lawful money of the United States of America. The principal of and redemption premium (if any) on all Bonds shall be payable at the Principal Office of the Paying Agent upon the presentation and surrender of the Bonds as the same become due and payable. Subject to the provisions of Section 217, the interest on the Bonds shall be paid by check drawn upon the Paying Agent and mailed to the persons in whose names the Bonds are registered on the registration books maintained by the Bond Registrar at the close of business on the Record Date next preceding each Interest Payment Date.

Promptly after each Record Date, the Trustee shall calculate the amount of interest to be paid on the next succeeding Interest Payment Date and shall not later than noon on the Business Day next preceding such Interest Payment Date notify the Company of the amount of interest to be paid. Unless the Company by notice thereof prior to the payment of such installment of interest contests the amount calculated by the Trustee to be due on such Interest Payment Date, the amount so established and paid shall become final and shall be binding upon the Company and the bondholders. Any such contest by the Company of the amount calculated by the Trustee to be due on such Interest Payment Date shall not relieve the Issuer or the Company of its obligation to make payments to the Trustee sufficient to pay the interest payable on the Bonds on such Interest Payment Date.

If any payment of interest or principal or redemption premium on the Bonds is due on a date that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date which is fixed for such payment, and no interest shall accrue on such amount for the period after such Interest Payment Date.

Section 203. Interest Rates on Bonds.

(A) The Bonds shall bear interest at the rates determined as provided in this Section prior to Fixed Rate Conversion. Upon Fixed Rate Conversion, the Bonds shall bear interest as provided in Section 204 hereof. Interest on the Bonds shall be payable in arrears on each Interest Payment Date. For any Interest Rate Period which is shorter than a Long Rate Period, interest on the Bonds shall be computed on the basis of a 365 or 366-day year, as applicable, for the actual number of days elapsed. For any Interest Rate Period that is a Long Rate Period or upon Fixed Rate Conversion and thereafter, interest on the Bonds shall be computed on the basis of a 360-day year of twelve thirty-day months.

(B) For the period from and including the date of the Bonds through the initial Interest Rate Period, the Bonds shall bear interest at the rate of _____% per annum. Thereafter, during each Interest Rate Period prior to Fixed Rate Conversion, the Bonds shall bear interest at the Adjusted Rate determined as set forth below:

(1) During each Interest Rate Period, the Adjusted Rate shall be that interest rate which, in the determination of the Rate-Setting Agent, would result as nearly as practicable in the market value of the Bonds on

the Rate Adjustment Date being 100% of the principal amount thereof. The Rate-Setting Agent shall determine the Adjusted Rate in accordance with this Section on the Rate Determination Date. The Adjusted Rate so determined shall become effective on the next succeeding Rate Adjustment Date.

(2) For any Quarterly Rate Period or Long Rate Period, the Rate-Setting Agent shall determine the Minimum Rate between the thirty-fifth (35th) and thirtieth (30th) days prior to the Period Adjustment Date and each Rate Adjustment Date in accordance with subparagraph (3) of this subsection (B) hereof and shall give notice to the Notice Parties of such Minimum Rate at least thirty (30) days prior to the Period Adjustment Date or such Rate Adjustment Date. The Trustee will give notice to the owners of the Bonds on or prior to the thirtieth (30th) day prior to the Period Adjustment Date and each Rate Adjustment Date for a Quarterly Rate Period or Long Rate Period stating (a) such Minimum Rate and the date of the determination thereof, (b) that the interest rate to be borne by all of the Bonds for such Interest Rate Period will be a rate not less than the Minimum Rate, (c) for any Long Rate Period, the last day on which an owner of a Bond may give (i) the Owner Election Notice required by Section 209 hereof for Bonds to be retained by the owner, if the Interest Rate Period beginning on the next succeeding Rate Adjustment Date is of a different length than the Long Rate Period then ending, or (ii) the Tender Notice required by Section 206 hereof for Bonds to be purchased by the Tender Agent on the first day of such Interest Rate Period if the Interest Rate Period beginning on the next succeeding Rate Adjustment Date is the same length as the Long Rate Period then ending, and (d) the method by which, after the Rate Determination Date, owners of the Bonds may ascertain the interest rate to be borne by the Bonds during such Interest Rate Period.

(3) The Rate-Setting Agent shall determine the Adjusted Rate on each Rate Determination Date. In determining the Adjusted Rate pursuant to this Section, the Rate-Setting Agent shall take into account to the extent applicable (1) market interest rates for comparable securities held by tax-exempt open-end municipal bond funds or other institutional or private investors with substantial portfolios (a) with interest rate adjustment periods and demand purchase options substantially identical to the Bonds, (b) bearing interest at a variable rate intended to maintain a value equal to 100% of the

principal amount thereof, and (c) rated by a national credit rating agency in the same or a similar category as the Bonds; (2) other financial market rates and indices which may have a bearing on the Adjusted Rate (including but not limited to rates borne by commercial paper, tax-exempt commercial paper, HUD project notes, Treasury Bills, commercial bank prime rates, certificate of deposit rates, federal funds rates, the London Interbank Offered Rate, indices maintained by The Bond Buyer, and other publicly available tax-exempt interest rate indices); (3) general financial market conditions (including current forward supply); and (4) industry, economic or financial conditions which may affect or be relevant to the Bonds. In addition, in determining the Adjusted Rate, the Rate-Setting Agent shall base such rate on marketing efforts with, or solicitations of proposals from, not less than five institutional or money fund investors or other entities or individuals (other than the Rate-Setting Agent or the Company) who customarily purchase tax-exempt securities comparable to the Bonds. Whenever the Rate-Setting Agent is required to establish a Minimum Rate pursuant to this Indenture, the Rate-Setting Agent shall establish the Minimum Rate by making a determination of the Adjusted Rate as if such Adjusted Rate were being calculated on such date. The Minimum Rate shall be no less than 80% of the Adjusted Rate determined by the Rate-Setting Agent on the date of such determination.

(4) The determination by the Rate-Setting Agent in accordance with this Section of the Adjusted Rate and the Minimum Rate to be borne by the Bonds shall be conclusive and binding on the owners of the Bonds and the Notice Parties. Failure by the Trustee to give any notice required hereunder, or any defect therein, shall not affect the interest rate borne by the Bonds or the rights of the owners thereof pursuant to Section 206 hereof.

(5) If for any reason the position of Rate-Setting Agent is vacant or the Rate-Setting Agent fails to act on the Rate Determination Date, the Adjusted Rate shall be determined by the Trustee in accordance with this subparagraph (5). The Trustee shall calculate the Adjusted Rate which rate shall be equal to 100%, 97%, 93%, 86%, 80% or 70% of the 11-Bond Index for the most recent period (as published in The Bond Buyer) if the length of such Interest Rate Period equals or exceeds fifteen, thirteen, ten, seven, five or two years, respectively. If the length of such Interest Rate Period is less than two years but greater than six (6) months, the Adjusted Rate

for such Interest Rate Period shall be 65% of the 11-Bond Index. If the length of such Interest Rate Period is six (6) months or less, the Adjusted Rate for such Interest Rate Period shall be 115% of The Bond Buyer Tax-Exempt Prime Commercial Paper Rate (30 days) for the most recent period.

(6) Anything herein or in the Bonds to the contrary notwithstanding, no payment constituting interest on the Bonds shall be required to the extent that (i) it exceeds 15% per annum, or (ii) the receipt of such payment by the holder of any Bond would be contrary to the provisions of law applicable to such holder which limit the maximum rate of interest which may be charged or collected by such holder.

Section 204. Conversion of Interest Rate on Bonds.

(A) At the option of the Issuer upon the direction of the Company the rate of interest payable on the Bonds shall be permanently converted from an Adjusted Rate to a Fixed Rate. The Fixed Rate Conversion Date shall be any Rate Adjustment Date for which the applicable notices described in subsection (D) hereof have been given. In order to exercise its Fixed Rate Conversion option the Company shall deliver a notice to the Notice Parties directing such Fixed Rate Conversion. The notice shall specify the Fixed Rate Conversion Date, which shall be not less than forty-five (45) days following the receipt by such Notice Parties of the Fixed Rate Conversion notice. After Fixed Rate Conversion, the Interest Payment Dates shall be the first day of the seventh month (including the month in which the Fixed Rate Conversion Date occurs) after the Fixed Rate Conversion Date, and the first day of each sixth month thereafter.

(B) No Fixed Rate shall be established unless, on or before thirty-five (35) days prior to the Fixed Rate Conversion Date, an opinion of Bond Counsel has been delivered to the Trustee to the effect that the Fixed Rate Conversion in accordance with the provisions of this Indenture (1) is lawful under the Act and is permitted hereby, and (2) will not cause the interest payable on the Bonds to become subject to Federal income taxation. Such opinion of Bond Counsel shall be confirmed by such Bond Counsel on the Fixed Rate Conversion Date. Unless and until the conditions for Fixed Rate Conversion set forth in this Section are satisfied, the Bonds shall continue to bear interest at the Adjusted Rate as provided in Section 203 hereof.

925 (C) The Rate-Setting Agent shall, between
926 thirty-five (35) and thirty (30) days prior to the Fixed Rate
927 Conversion Date, establish a Minimum Rate by making a
928 determination of the Fixed Rate as if such Fixed Rate were
929 being calculated on such date pursuant to subsection (G)
930 hereof. The Minimum Rate shall be no less than 80% of the
931 Fixed Rate determined by the Rate-Setting Agent on such date.
932 The Rate-Setting Agent shall give prompt notice of such Minimum
933 Rate to the Notice Parties.

934
935 (D) Unless the Company exercises its option not to
936 convert as described in subsection (E) below, the Trustee shall
937 mail a notice to each owner of the Bonds not less than thirty
938 (30) days prior to the Fixed Rate Conversion Date stated in the
939 notice from the Company stating:

940
941 (1) that the interest rate on the Bonds shall be
942 converted to a Fixed Rate unless Bond Counsel does not
943 deliver, on the Fixed Rate Conversion Date, the
944 confirmation of its opinion required by subsection (B)
945 above;

946
947 (2) the Fixed Rate Conversion Date;

948
949 (3) the date the Fixed Rate shall be determined;

950
951 (4) the Minimum Rate at which the Fixed Rate may be
952 established;

953
954 (5) the Interest Payment Dates;

955
956 (6) that after Fixed Rate Conversion the owners of
957 the Bonds will no longer have the right to tender Bonds to
958 the Tender Agent for purchase, specifying the last times
959 and dates prior to the Fixed Rate Conversion Date on which
960 such Bonds must be delivered for purchase, and upon which
961 notice must be given; and

962
963 (7) that all Bonds will be purchased pursuant to
964 Section 208 hereof on the Fixed Rate Conversion Date
965 except Bonds which the owners shall have directed the
966 Tender Agent not to so purchase as provided in Section 209
967 hereof.

968
969 (E) The Company shall have the option, to be
970 exercised prior to the thirtieth (30th) day prior to the Fixed
971 Rate Conversion Date, to elect not to convert the Bonds to a
972 Fixed Rate. The Company shall give any such notice to the
973 Notice Parties in writing. If the Company elects not to

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974 convert the Bonds to a Fixed Rate, the Bonds shall continue to
975 bear interest at the Adjusted Rate as provided in Section 203
976 hereof.

977

978 (F) Between the fifteenth (15th) day prior to the
979 Fixed Rate Conversion Date and the Fixed Rate Conversion Date
980 for which the foregoing notice described in (D) was given, the
981 Trustee shall give notice to each owner of the Bonds who has
982 delivered an Owner Election Notice which shall state the Fixed
983 Rate.

984

985 (G) Upon the date stated in the Fixed Rate
986 Conversion notice for determination of the Fixed Rate, the
987 Rate-Setting Agent shall determine the Fixed Rate as that rate
988 which, in the determination of the Rate-Setting Agent, would
989 result as nearly as practicable in the market value of the
990 Bonds on the Fixed Rate Conversion Date being 100% of the
991 principal amount thereof. In determining the Fixed Rate
992 pursuant to this Section, the Rate-Setting Agent shall take
993 into account to the extent applicable (1) market interest rates
994 for comparable securities which are held by institutional and
995 private investors with substantial portfolios (a) with a term
996 equal to the period to maturity remaining on the Bonds, (b) the
997 interest on which is exempt from federal income taxation, (c)
998 rated, if the Bonds are rated, by a national credit rating
999 agency in the same or a similar rating category as the Bonds,
1000 and (d) with redemption provisions similar to those of the
1001 Bonds; (2) other financial market rates and indices which have
1002 a bearing on the Fixed Rate (including but not limited to rates
1003 borne by industrial development bonds, pollution control
1004 revenue bonds, public power bonds, housing bonds, other revenue
1005 bonds, general obligation bonds, United States Treasury
1006 obligations, commercial bank prime rates, certificate of
1007 deposit rates, federal funds rates, indices maintained by The
1008 Bond Buyer and other publicly available tax-exempt interest
1009 rate indices); (3) general financial market conditions
1010 (including current forward supply); and (4) industry, economic
1011 or financial conditions which may affect or be relevant to the
1012 Bonds. In addition, in determining the Fixed Rate, the
1013 Rate-Setting Agent shall base such rate on marketing efforts
1014 with, or solicitations of proposals from, not less than five
1015 institutional or money fund investors or other entities or
1016 individuals (other than the Rate-Setting Agent or the Company)
1017 who customarily purchase tax-exempt securities comparable to
1018 the Bonds. Upon the date stated in the Fixed Rate Conversion
1019 notice as the Fixed Rate Conversion Date, the Fixed Rate shall
1020 be effective and shall be equal to the rate so determined by
1021 the Rate-Setting Agent.

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1023 (H) The determination of the Minimum Rate and the
1024 Fixed Rate by the Rate-Setting Agent in accordance with this
1025 Section shall be conclusive and binding on the owners of the
1026 Bonds and the other Notice Parties.

1027
1028 (I) If for any reason the position of Rate-Setting
1029 Agent is vacant or the Rate-Setting Agent fails to act by the
1030 Fixed Rate Conversion Date, the Fixed Rate shall be determined
1031 by the Trustee in accordance with this subparagraph (I) and
1032 shall be equal to the interest rate computed by multiplying
1033 (x) the 11-Bond Municipal Bond Index as reported in the most
1034 recent issue of The Bond Buyer (or any successor publication
1035 thereto) published prior to the date of computation by (y) the
1036 percentage shown in the table below applicable as of the date
1037 of computation of the Fixed Rate:

1038	Computation Dates	Applicable
1041	<u>inclusive</u>	<u>Percentage</u>
1042		
1043		
1044	Date of delivery through	105%
1045	October 31, 1987	
1046	November 1, 1987 through	103%
1047	October 31, 1990	
1048	November 1, 1990 through	97%
1049	October 31, 1993	
1050	November 1, 1993 through	93%
1051	October 31, 1996	
1052	November 1, 1996 through	86%
1053	October 31, 1999	
1054	November 1, 1999 through	80%
1055	October 31, 2002	
1056	November 1, 2002 and thereafter	70%

1057
1057
1060 (J) Upon any Fixed Rate Conversion as provided in
1061 this Section, the Bonds shall be subject to mandatory tender
1062 for purchase in accordance with Section 208 hereof, and the
1063 owners shall be notified of the Fixed Rate Conversion as
1064 provided herein and therein and shall have the right to
1065 continue to own Bonds subject to such tender for purchase as
1066 provided in Section 209 hereof. No Bonds (other than Bonds
1067 remarketed as Fixed Rate Bonds for purchase by holders on the
1068 Fixed Rate Conversion Date) shall be remarketed by the
1069 Remarketing Agent subsequent to the date of notice of Fixed
1070 Rate Conversion. The Bonds which are not to be purchased on
1071 the Mandatory Tender Date pursuant to Section 209 hereof shall
1072 bear interest at the Fixed Rate established as provided in this
1073 Section; all other Bonds shall be purchased or deemed purchased
1074 on the Mandatory Tender Date and shall be delivered to the

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1075 Remarketing Agent for remarketing in accordance with Section
1076 207 hereof.

1077

1078 Section 205. Interest Rate Period.

1079

1080 (A) The Interest Rate Period from November 1, 1985,
1081 until further designation by the Company will be a Long Rate
1082 Period consisting of three years ending on November 1, 1988.
1083 Thereafter, unless Fixed Rate Conversion has occurred, from
1084 time to time, the Company may designate an alternate Interest
1085 Rate Period. Except as may otherwise be provided herein, the
1086 Company shall evidence each such designation by giving written
1087 notice to the Trustee in accordance with Notice of Period
1088 Adjustment Date in subsection (C) below; provided, however,
1089 that the Period Adjustment Date must be (i) except as set forth
1090 in (ii) below, the final Interest Payment Date for the then
1091 effective Interest Rate Period or (ii) for any Long Rate
1092 Period, the first calendar day of the month in which the final
1093 Interest Payment Date for the then effective Interest Rate
1094 Period occurs. In addition, with respect to all designations
1095 of a new Interest Rate Period (except from one Short Rate
1096 Period to another Short Rate Period), the Company shall deliver
1097 on or before the notice described above an opinion of Bond
1098 Counsel to the effect that the designation of the new Interest
1099 Rate Period (1) is lawful under the Act and is permitted
1100 hereby, and (2) will not cause the interest payable on the
1101 Bonds to become subject to Federal income taxation. No such
1102 designation of an alternate Interest Rate Period shall be
1103 effective unless such opinion is received. If, at the end of
1104 any Interest Rate Period, the Company does not designate an
1105 alternate Interest Rate Period as described herein, the next
1106 succeeding Interest Rate Period shall be of the same length as
1107 the Interest Rate Period then ending; provided, however, no
1108 Interest Rate Period shall extend beyond the final maturity
1109 date of the Bonds.

1110

1111 (B) Upon receipt of such notice from the Company,
1112 the Trustee shall notify each owner in accordance with Notice
1113 of Period Adjustment Date in subsection (C) below of the new
1114 Interest Rate Period designated and of the Interest Payment
1115 Dates, Rate Determination Date, Rate Adjustment Date, Tender
1116 Notice, Purchase Date and the Owner Election Notice provisions
1117 for such Interest Rate Period. In addition, prior to the
1118 Period Adjustment Date of (i) any Long Rate Period or (ii) any
1119 Daily, Weekly, Monthly or Quarterly Rate Period immediately
1120 following a Long Rate Period, the Trustee shall give the notice
1121 required by Section 208 hereof. Failure by the Trustee to give
1122 such notice by mail, or any defect therein, shall not extend
1123 the period for making elections or in any way change the rights

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1124 of the owners of the Bonds to elect to have their Bonds
1125 purchased on any Purchase Date.

1126

1127 (C) For each Interest Rate Period, the Interest
1128 Payment Date, the Rate Determination Date, the Rate Adjustment
1129 Date, the Notice of Adjusted Rate, the Tender Notice, the
1130 Purchase Date, the Notice of Period Adjustment Date and the
1131 Owner Election Notice provisions shall be determined in
1132 accordance with the schedule set forth upon the following
1133 pages:

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1139 (D) Interest shall accrue at the Adjusted Rate
1140 during each Interest Rate Period from and including the first
1141 day of such Interest Rate Period to and including the last day
1142 of such Interest Rate Period as described below:

		<u>First Day</u>	<u>Last Day</u>
1143			
1146			
1147			
1148	(i) Short Rate Periods	First Business	Day immediately
1149		Day of each month	preceding the
1150			first Business
1151			Day of the next
1152			month*
1153			
1154	(ii) Quarterly Rate	First Business	Day immediately
1155	Period	Day of the	preceding the
1156		month	first Business
1157			Day of the next
1158			Interest Rate
1159			Period*
1160			
1161	(iii) Long Rate	First calendar	Last calendar day
1162	Period	day of the first	of the last month
1163		month of such	of such Long Rate
1164		Long Rate Period	Period
1165			

1168 * Provided, if the next Interest Rate Period is a Long
1169 Rate Period, interest shall accrue through the last
1170 day of the month at the applicable Short Rate or
1171 Quarterly Rate, and thereafter to but excluding the
1172 first Business Day of the next month at the
1173 applicable Long Rate.

1174
1175 (E) From the date on which (a) the Issuer gives
1176 notice to the Trustee of its election to redeem the Bonds
1177 pursuant to Section 301 hereof, (b) the Trustee gives the
1178 notice of a tender for purchase pursuant to Section 208 hereof,
1179 or (c) the Company gives a Notice of Period Adjustment Date, to
1180 the day on which such redemption, purchase or period adjustment
1181 is scheduled to occur, the Company may not designate a new
1182 Interest Rate Period nor will the Remarketing Agent remarket
1183 any Bonds pursuant to Section 207 in the then current Adjusted
1184 Rate. The Remarketing Agent shall, upon designation of a
1185 Period Adjustment Date or Fixed Rate Conversion Date, only
1186 remarket Bonds for delivery on such Period Adjustment Date or
1187 Fixed Rate Conversion Date.

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1189 Section 206. Purchase of Bonds.
1190

1191 (A) During any Daily, Weekly, Monthly, Quarterly or
1192 Long Rate Period, any Bond shall be purchased by the Tender
1193 Agent in accordance with Section 1124 hereof on any Purchase
1194 Date at the Purchase Price thereof upon the demand of the
1195 owner. As a condition precedent to the purchase of Bonds on
1196 any Purchase date, the owner must deliver to the Tender Agent
1197 (i) a Tender Notice not later than the time specified in
1198 Section 205 hereof which, in the case of a tender during a
1199 Weekly Rate Period or Monthly Rate Period, specifies the
1200 proposed purchase date which must be at least the seventh day
1201 (which day must be a Business Day) following receipt of the
1202 Tender Notice and (ii) the Bonds, together with an appropriate
1203 instrument of transfer or a blank bond power, not later than
1204 12:00 Noon (New York City time) on the Purchase Date during any
1205 period other than a Quarterly Rate Period or a Long Rate Period
1206 and not later than 3 P.M. (New York City time) on a date at
1207 least fifteen (15) days prior to the Purchase Date during any
1208 Quarterly or Long Rate Period. Owners delivering Bonds to the
1209 Tender Agent on the Purchase Date after 12:00 Noon (New York
1210 City time) during a Daily, Weekly or Monthly Rate Period shall
1211 not be entitled to receive payment from the Tender Agent until
1212 the Business Day following the Purchase Date.
1213

1214 Provided the Tender Notice is delivered by the times
1215 and in the manner specified herein, tendered Bonds shall be
1216 purchased by the Tender Agent on the Purchase Date described in
1217 Section 205(C) hereof.
1218

1219 (B) Any Tender Notice received by the Tender Agent
1220 pursuant to this Section shall be effective upon receipt and
1221 shall be irrevocable.
1222

1223 (C) It is the express intention of the parties
1224 hereto that any purchase, sale or transfer of Bonds, as
1225 provided in this Section, shall not constitute or be construed
1226 to be the extinguishment of any Bonds or the indebtedness
1227 represented thereby or the reissuance of any Bonds.
1228

1229 (D) Any owner which identifies itself as an
1230 Investment Company, in lieu of giving a Tender Notice to the
1231 Tender Agent as described above, may elect to deliver such
1232 Notice to the Trustee. In addition, in order to receive
1233 payment of the Purchase Price of tendered Bonds on the Purchase
1234 Date, an Investment Company may, in lieu of delivering Bonds to
1235 the Tender Agent, deliver such Bonds to the Trustee.
1236

1237 (E) With respect to any Long Rate Period, an
1238 Investment Company may deliver its Bonds for purchase to the
1239 Tender Agent on the Purchase Date if it irrevocably notifies
1240 the Tender Agent during the period commencing thirty (30) days
1241 prior to such Purchase Date and ending fifteen (15) days prior
1242 to such Purchase Date that it will deliver such Bonds on such
1243 Purchase Date. Any such Tender Notice delivered in accordance
1244 with the foregoing sentence shall be irrevocable with respect
1245 to the purchase for which such Tender Notice was delivered and
1246 such purchase shall occur on the Purchase Date.

1247
1248 Section 207. Remarketing of Bonds.
1249

1250 (A) Upon the tender of any Bonds in accordance with
1251 Section 206 or 208, the Remarketing Agent shall, pursuant to
1252 Section 1116 hereof, offer for sale and use its best efforts to
1253 sell such Bonds (or portion thereof) on any Purchase Date for
1254 such Bonds at a price of 100% of the principal amount of such
1255 Bonds.

1256
1257 (B) The Remarketing Agent shall not remarket any
1258 Bonds pursuant to this Section (i) if an Event of Default shall
1259 have occurred and be continuing hereunder with respect to the
1260 Bonds or (ii) except in compliance with Section 205(E) hereof.

1261
1262 Section 208. Mandatory Tender for Purchase.
1263

1264 (A) The Bonds shall be subject to mandatory tender
1265 for purchase prior to maturity (1) on the Period Adjustment
1266 Date of (i) any Long Rate Period or (ii) any Daily, Weekly,
1267 Monthly or Quarterly Rate Period immediately following a Long
1268 Rate Period and (2) on the Fixed Rate Conversion Date (each a
1269 "Mandatory Tender Date") at a purchase price equal to 100% of
1270 the principal amount thereof plus accrued interest to the date
1271 of purchase; except that there shall not be so purchased,
1272 (a) Bonds as to which the owner has submitted an Owner Election
1273 Notice, (b) Bonds issued in exchange for or upon the
1274 registration of transfer of Bonds referred to in clause (a)
1275 above, and (c) portions of principal amount of Bonds in
1276 authorized denominations or integral multiples thereof referred
1277 to in clauses (a) and (b) above.

1278
1279 (B) The Trustee shall, upon Fixed Rate Conversion,
1280 give notice to each owner that his Bond is subject to mandatory
1281 tender for purchase pursuant to Section 204(D) above.

1282
1283 (C) In connection with any mandatory tender for
1284 purchase of Bonds upon a Period Adjustment Date, the Trustee
1285 shall not less than thirty (30) days prior to such Period

Adjustment Date mail a notice of mandatory tender for purchase to each owner which in substance shall state the following:

(1) the Period Adjustment Date (which date shall be the Mandatory Tender Date) as set forth in Section 205 hereof;

(2) if applicable, the Minimum Rate at which the Long Rate may be established;

(3) the date on which the Rate-Setting Agent will determine the actual Adjusted Rate as set forth in Section 205 hereof; and

(4) that all owners of Bonds who have not given an Owner Election Notice as provided in this Section shall be deemed to have tendered their Bonds for purchase on the Mandatory Tender Date.

Section 209. Owner's Right to Retain Bonds Upon Mandatory Tender Date

(A) Any owner of Bonds who decides to continue to own his Bonds after the Mandatory Tender Date, must deliver to the Tender Agent, at its principal office (as identified in the notice of purchase) between thirty (30) days and fifteen (15) days prior to such Mandatory Tender Date, an Owner Election Notice stating in substance the following:

(1) that the owner acknowledges the matters set forth in the notice of purchase delivered pursuant to Section 204 or 208, as the case may be;

(2) that the owner has decided to continue to own his Bonds or portions thereof so called for purchase after the Mandatory Tender Date, and identifying such Bonds or portions thereof by series, number and denomination;

(3) that the Tender Agent is directed not to purchase such Bonds or portions thereof; and

(4) that such instrument delivered by the owner is binding on subsequent owners of such Bonds (or the applicable portion thereof).

(B) Owners of Bonds not providing the Tender Agent with the instrument described above shall be required to tender their Bonds for purchase on the Mandatory Tender Date at the Purchase Price. Any Undelivered Bonds on such Mandatory Tender

1335 Date for which there has been irrevocably deposited in trust
1336 with the Trustee amounts sufficient to pay the Purchase Price
1337 of the Undelivered Bonds, shall be deemed to have been tendered
1338 in accordance with the provisions of Section 208 hereof. In
1339 the event of a failure by an owner (other than an owner who has
1340 delivered the Owner Election Notice) to tender his Bonds on or
1341 prior to such Mandatory Tender Date, such owner shall not be
1342 entitled to any payment (including any interest accrued
1343 subsequent to such Mandatory Tender Date) other than the
1344 Purchase Price for such Undelivered Bonds, and any Undelivered
1345 Bonds shall no longer be entitled to the benefits of the
1346 Indenture, except for the purpose of payment of the Purchase
1347 Price therefor and interest thereon to such Mandatory Tender
1348 Date.

1349

1350 Section 210. Execution; Limited Obligation. The
1351 Bonds shall be executed on behalf of the Issuer pursuant to the
1352 Bond Ordinance by the manual or facsimile signature of a duly
1353 authorized officer and the Issuer's seal shall be affixed
1354 thereto or printed or otherwise reproduced thereon and attested
1355 by the manual or facsimile signature of a duly authorized
1356 officer. If any officer of the Issuer who shall have executed
1357 any Bond shall cease to be such officer before the Bond so
1358 executed (by manual or facsimile signature) shall be
1359 authenticated and delivered by the Trustee, such Bond
1360 nevertheless may be authenticated and delivered as though the
1361 Person who executed such Bond had not ceased to be such officer
1362 of the Issuer, and also any Bond may be executed on behalf of
1363 the Issuer by such Persons as at the actual time of such
1364 execution of such Bond shall be a proper officer of the Issuer,
1365 although at the date of such Bond such Persons may not have
1366 been officers of the Issuer.

1367

1368 The Bonds and the interest and redemption premium, if
1369 any, thereon shall never constitute a debt or general
1370 obligation of the State or the Issuer within the meaning of any
1371 constitutional or statutory provision or limitation and shall
1372 never constitute or give rise to a charge against the general
1373 credit or taxing powers of the State or any agency thereof or
1374 the general funds or assets of the Issuer (including funds
1375 relating to other Issuer loans or activities), but shall be a
1376 limited obligation of the Issuer payable solely from the Trust
1377 Estate.

1378

1379 Section 211. Authentication. Only such Bonds as
1380 shall have endorsed thereon a certificate of authentication
1381 substantially in the form hereinafter set forth executed by the
1382 Trustee shall be entitled to any right or benefit hereunder.
1383 No Bond shall be valid or obligatory for any purpose unless and

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1384 until such certificate of authentication shall have been
1385 executed by the Trustee, and such executed certificate of the
1386 Trustee upon any such Bond shall be conclusive evidence that
1387 such Bond has been authenticated and delivered hereunder.
1388 Said certificate of authentication on any Bond shall be deemed
1389 to have been executed by the Trustee if signed by an authorized
1390 officer of the Trustee, but it shall not be necessary that the
1391 same officer sign the certificate of authentication on all of
1392 the Bonds issued hereunder.

1393

1394 Section 212. Form of Bonds. The Bonds shall be
1395 issued substantially in the form and format set forth in
1396 Exhibit "A" (Adjusted Rate Bonds) and Exhibit "B" (Fixed Rate
1397 Bonds) attached hereto, and shall contain a Trustee's
1398 certificate of authentication and the form of assignment
1399 substantially as set forth in such exhibits, with such
1400 appropriate variations, omissions, substitutions and insertions
1401 as are permitted or required hereby and may have such letters,
1402 numbers or other marks of identification and such legends and
1403 endorsements placed thereon, as may be required to comply with
1404 any applicable laws or rules or regulations, or as may,
1405 consistently herewith, be determined by the officers executing
1406 such Bonds, as evidenced by their execution of the Bonds. Upon
1407 Fixed Rate Conversion, Bonds in the form of Exhibit B shall be
1408 prepared by the Trustee (at the expense of the Company) and
1409 shall be authenticated and delivered in place of the Bonds
1410 originally delivered hereunder.

1411

1412 Section 213. Delivery of Bonds. Upon the execution
1413 and delivery hereof, the Issuer shall execute the Bonds and
1414 deliver them to the Trustee, and shall direct the Trustee to
1415 authenticate the Bonds and deliver them to the purchaser or
1416 purchasers upon receipt by the Issuer, or by the Trustee for
1417 the account of the Issuer of the following:

1418

1419 (a) A copy, certified by an officer of the Issuer,
1420 of the Bond Ordinance;

1421

1422 (b) Original executed counterparts of this Indenture
1423 and the Agreement;

1424

1425 (c) Copies of the Financing Statements;

1426

1427 (d) An original executed counterpart of the
1428 certification of the Issuer establishing its reasonable
1429 expectations to the effect that the Bonds will not be
1430 "arbitrage bonds" within the meaning of Section 103(c) of
1431 the Code, together with an opinion of Bond Counsel to the
1432 effect that the Bonds are not arbitrage bonds";

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(e) A copy of the completed IRS Form 8038, Information Return for Private Activity Bond Issues, to be filed by or on behalf of the Issuer pursuant to Section 103(1) of the Code;

(f) An opinion of Counsel for the Company to the effect that the Agreement has been duly authorized, executed and delivered by the Company;

(g) An opinion of Bond Counsel to the effect that the Bonds have been duly authorized, executed and delivered and constitute legal, valid, binding and enforceable limited obligations of the Issuer entitled to the benefits of and secured by this Indenture and the Agreement; and

(h) A request and authorization to the Trustee on behalf of the Issuer and signed by any member or officer to authenticate and deliver the Bonds in such specified denominations as permitted herein to the initial purchaser or purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of the purchase price of the Bonds.

Section 214. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee (upon the receipt of a written authorization from the Issuer) may authenticate and deliver a new Bond in the appropriate form and in the same aggregate principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, as Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee and the Issuer evidence satisfactory to it of the ownership of such Bond and of such loss, theft or destruction, together with indemnity satisfactory to it. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the holder of such Bond with their reasonable fees and expenses in this connection.

Section 215. Exchangeability and Transfer of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided herein to be kept by the Bond Registrar.

1483 Bonds (other than Undelivered Bonds) may be
1484 transferred on the books of registration kept by the Bond
1485 Registrar by the holder in person or by his duly authorized
1486 attorney, upon surrender thereof, together with a written
1487 instrument of transfer executed by the holder or his duly
1488 authorized attorney. Upon surrender for registration of
1489 transfer of any Bond with all partial redemptions endorsed
1490 thereon at the Principal Office of the Trustee, the Issuer
1491 shall execute and the Trustee shall authenticate and deliver in
1492 the name of the transferee or transferees a new Bond or Bonds
1493 of the same interest rate, aggregate principal amount and tenor
1494 and of any authorized denomination or denominations and bearing
1495 numbers not contemporaneously outstanding hereunder.

1496
1497 Bonds (other than Undelivered Bonds) may be exchanged
1498 at the Principal Office of the Trustee for an equal aggregate
1499 principal amount of Bonds in the appropriate form and in the
1500 same aggregate principal amount and tenor and of any authorized
1501 denomination or denominations. The Issuer shall execute and
1502 the Trustee shall authenticate and deliver Bonds which the
1503 bondholder making the exchange is entitled to receive.

1504
1505 Such registration of transfer or exchanges of Bonds
1506 shall be without charge to the holders of such Bonds, but any
1507 taxes or other governmental charges required to be paid with
1508 respect to the same shall be paid by the holder of the Bond
1509 requesting such transfer or exchange as a condition precedent
1510 to the exercise of such privilege.

1511
1512 The Trustee shall not be required to register for
1513 transfer or exchange any Undelivered Bond or any Bond (i) with
1514 respect to which the Trustee shall have received a Tender
1515 Notice, (ii) after the giving of notice calling such Bond for
1516 redemption or partial redemption has been made, or (iii) after
1517 the Company has given a Notice of a Period Adjustment Date
1518 pursuant to Section 205 or a notice of Fixed Rate Conversion
1519 pursuant to Section 204

1520
1521 The person in whose name any Bond shall be registered
1522 shall be deemed and regarded as the absolute owner thereof for
1523 all purposes, and payment of or on account of either principal
1524 or interest shall be made only to or upon the order of the
1525 registered owner thereof or his duly authorized attorney, but
1526 such registration may be changed as hereinabove provided. All
1527 such payments shall be valid and effectual to satisfy and
1528 discharge the liability upon such Bond to the extent of the sum
1529 or sums so paid.

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1531 All Bonds issued upon any registration of transfer or
1532 exchange of Bonds shall be legal, valid and binding limited
1533 obligations of the Issuer, evidencing the same debt, and
1534 entitled to the same security and benefits under this Indenture
1535 as the Bonds surrendered upon such transfer or exchange.

1536
1537 Section 216. Replacement Bonds. The Issuer shall
1538 execute and the Trustee shall authenticate and deliver
1539 Replacement Bonds to replace Undelivered Bonds. Any such
1540 Replacement Bond shall be executed and authenticated as
1541 provided in this Indenture. Replacement Bonds shall be issued
1542 in the appropriate form and shall contain such other provisions
1543 as are consistent with the provisions of this Indenture. The
1544 Company shall bear all expenses in connection with the
1545 preparation and delivery of the Replacement Bonds.
1546 Notwithstanding anything contained herein to the contrary,
1547 before delivering any Replacement Bonds to replace any
1548 Undelivered Bond or Bonds (or portion thereof, the Trustee may
1549 require satisfactory indemnity to be furnished by the Company
1550 for the reimbursement of all expenses to which it may be put
1551 and to protect it against availability, except liability which
1552 is adjudicated to have resulted from its negligence or willful
1553 misconduct by reason of any such action so taken.

1554
1555 Section 217. Special Interest Payment Provision. A
1556 holder of \$1,000,000 or more in an aggregate principal amount
1557 of Bonds may submit to the Trustee not less than 15 days before
1558 an Interest Payment Date a written notice that interest on such
1559 Bonds be payable by wire transfer to such holder (which notice
1560 may provide that it will remain in effect until changed or
1561 revoked); provided, however, that, if the duration of any
1562 Interest Rate Period is less than 15 days, a holder of Bonds in
1563 an aggregate principal amount of \$1,000,000 or more may submit
1564 such notice to the Trustee by 11:00 a.m., New York City time,
1565 on the Business Day immediately preceding the Interest Payment
1566 Date.

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ARTICLE III.

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Redemption Dates and Prices.

OPTIONAL REDEMPTION

(a) During any Daily, Weekly, Monthly or Quarterly Interest Rate Period, the Bonds are subject to redemption by the Issuer at the option of the Company, in whole or in part, on any Interest Payment Date at a redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the redemption date.

(b) During a Long Rate Period or after Fixed Rate Conversion, the Bonds are subject to redemption by the Issuer, at the option of the Company, in whole at any time or in part on any Interest Payment Date, during the periods and at the respective redemption prices (expressed as a percentage of principal amount) set forth below, plus accrued interest thereon to the redemption date:

OPTIONAL REDEMPTION DURING LONG RATE PERIOD

<u>Length of Interest Rate Period Expressed in Years</u>	<u>Redemption Prices as a percentage of principal amount (measured from and including first day or such remaining period)</u>	<u>Call Protection</u>
greater than 13	after 8 years at 102% declining 1% per 12 months to 100%	8 years
less than or equal to 13 and greater than 10	after 5 years at 102% declining 1% per 12 months to 100%	5 years
less than or equal to 10 and greater than 7	after 3 years at 101-1/2% declining 1/2% per 12 months to 100%	3 years

1617 less than or equal	after 3 years at 101%	3 years
1618 to 7 and greater	declining 1/2% per 12	
1619 than 4	months to 100%	
1620		
1621 less than or equal	after 2 years at	2 years
1622 to 4 and greater	101% declining 1/2%	
1623 than 2	per 6 months to 100%	
1624		
1625 less than or equal to	after 1 year at 100-1/2%	1 year
1626 2 and greater than 1	declining 1/2% per 6	
1627	months to 100%	
1628		
1629 less than or equal	after 6 months	6 months
1630 to 1 and greater	at 100-1/8%	
1631 than 6 months		
1632		
1633 equal to 6 months	after 6 months at 100%	6 months
1634		
1634		

OPTIONAL REDEMPTION AFTER FIXED RATE CONVERSION

1637	1637	
1638	Redemption Prices	
1639	as a percentage of	
1640	principal amount	
1641	(measured from and	
1642 Length of Interest	including first day	
1643 Rate Period	of such remaining	Call Pro-
1644 <u>Expressed in Years*</u>	<u>period)**</u>	<u>tection***</u>
1645		
1646 greater than 13	after 8 years at 102%	8 years
1647	declining 1% per	
1648	12 months to 100%	
1649		
1650 less than or equal	after 5 years at 102%	5 years
1651 to 13 and greater	declining 1% per	
1652 than 10	12 months to 100%	
1653		
1654 less than or equal	after 3 years at	3 years
1655 to 10 and greater	101-1/2% declining 1/2%	
1656 than 7	per 12 months to 100%	
1657		
1658 less than or equal	after 3 years at 101%	3 years
1659 to 7 and greater	declining 1/2% per 12	
1660 than 4	months to 100%	
1661		
1662 less than or equal	after 2 years at 101%	2 years
1663 to 4	declining 1/2% per 6	
1664	months to 100%	

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1669
1670 * Length of period from the Interest Payment Date
1671 immediately succeeding the Fixed Rate Conversion Date to
1672 the Redemption Date.
1673
1674 ** Measured from Interest Payment Date immediately succeeding
1675 the Fixed Rate Conversion Date.
1676
1677 *** Length of time (measured from the Interest Payment Date
1678 immediately succeeding the Fixed Rate Conversion Date)
1679 before Bonds may be called.
1680
1680

1681 EXTRAORDINARY OPTIONAL REDEMPTION
1682

1685 The Bonds shall be redeemed by the Issuer on any
1686 interest payment date as a whole, at 100% of the principal
1687 amount thereof plus accrued interest to the redemption date at
1688 the option of the Company in the event that:
1689

1690 (a) the Project or the Plant shall have been damaged
1691 or destroyed to such an extent that, in the judgment of
1692 the Company, (i) it cannot be reasonably restored within a
1693 period of three (3) consecutive months to the condition
1694 thereof immediately preceding such damage or destruction,
1695 (ii) the Company is thereby prevented from carrying on its
1696 normal operations at the Plant for a period of three (3)
1697 consecutive months, or (iii) it would not be economically
1698 feasible for the Company to replace, repair, rebuild or
1699 restore the same;
1700

1701 (b) title in and to, or the temporary use of, all or
1702 substantially all of the Project or the Plant shall have
1703 been taken under the exercise of the power of eminent
1704 domain by any governmental authority, or person acting
1705 under governmental authority (including such a taking as,
1706 in the judgment of the Company, results in the Company
1707 being prevented thereby from carrying on its normal
1708 operations at the Plant for a period of three (3)
1709 consecutive months);
1710

1711 (c) as a result of any changes in the Constitution
1712 of the State or the Constitution of the United States of
1713 America or by legislative or administrative action
1714 (whether State or Federal) or by final decree, judgment,
1715 decision or order of any court or administrative body
1716 (whether State or Federal), the Agreement shall have
1717 become void or unenforceable or impossible of performance
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1718 in accordance with the intent and purposes of the parties
1719 as expressed therein;

1720
1721 (d) unreasonable burdens or excessive liabilities
1722 shall have been imposed on the Company with respect to the
1723 operation of the Plant, including, without limitation,
1724 Federal, State or other ad valorem, property, income or
1725 other taxes not being imposed on the date hereof which, in
1726 the judgment of the Company, render the continued
1727 operation of the Plant uneconomic;

1728
1729 (e) changes which the Company cannot reasonably
1730 control or overcome in the economic availability of
1731 materials, supplies, labor, equipment and other properties
1732 and things necessary for the efficient operation of the
1733 Plant for the purposes contemplated by the Agreement shall
1734 have occurred or technological changes which the Company
1735 cannot reasonably overcome shall have occurred which, in
1736 the judgment of the Company, render the continued
1737 operation of the Plant uneconomic;

1738
1739 (f) legal curtailment of the Company's use and
1740 occupancy of all or substantially all of the Plant for any
1741 reason other than that set forth in subsection (b), which
1742 curtailment shall, in the judgment of the Company, prevent
1743 the Company from carrying on its normal operations at the
1744 Plant for a period of three (3) consecutive months; or

1745
1746 (g) the Agreement is terminated prior to its
1747 expiration for any reason other than the occurrence of an
1748 Event of Default.

1749
1750 SPECIAL MANDATORY REDEMPTION

1751
1752 The Bonds are subject to special mandatory redemption
1753 in whole on any date within 180 days after receipt by the
1754 Trustee of notice of (a) the issuance of a public or private
1755 ruling of the Internal Revenue Service in which the Company has
1756 participated to the degree it deems sufficient and which ruling
1757 the Company, in its discretion, does not contest by any
1758 appropriate proceeding directly or through a holder of any
1759 Bonds, or (b) a final determination by any court of competent
1760 jurisdiction in the United States in a proceeding to which the
1761 Company is a party, in either case to the effect that, as a
1762 result of a failure by the Company to observe any covenant,
1763 agreement, representation or warranty in the Agreement, the
1764 interest payable on the Bonds is includable in the gross income
1765 for Federal income tax purposes of the holders thereof (other

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1766 than a person who is a Substantial User of the Project financed
1767 with the proceeds of the Bonds or a Related Person. Upon the
1768 occurrence of any event described in this paragraph, the Bonds
1769 shall be redeemed in whole unless, in the opinion of Bond
1770 Counsel mutually acceptable to the Issuer, the Trustee and the
1771 Company, the redemption of a portion of such Bonds would have
1772 the result that interest payable on the Bonds remaining
1773 outstanding after such redemption would not be includable in
1774 the gross income for Federal income tax purposes of any holder
1775 of any such Bonds (other than a holder who is a Substantial
1776 User of the Project or a Related Person as described above).
1777 Any such partial redemption shall be by lot in such amount as
1778 is necessary to accomplish such result. The Bonds so redeemed
1779 will be redeemed at a redemption price equal to 100% of the
1780 principal amount thereof plus unpaid interest accrued to the
1781 redemption date.

1782

1783 EXCESS PROCEEDS REDEMPTION

1784

1785 The Bonds are subject to redemption by the Issuer, at
1786 the option of the Company, in whole or in part on any Interest
1787 Payment Date, at a redemption price equal to 100% of the
1788 principal amount thereof plus accrued interest thereon to the
1789 redemption date, in the event that any moneys remain in the
1790 Project Fund after the Completion Date and are transferred from
1791 the Project Fund to the Bond Fund and are applied to the
1792 redemption of Bonds (rounded to the nearest \$5,000).

1793

1794 Section 302. Notice of Redemption. Notice of
1795 redemption shall be given by mail not less than thirty (30)
1796 days or more than sixty (60) days prior to the redemption date
1797 to each holder of the Bonds or portions thereof to be redeemed
1798 at the last address shown on the registration books kept by the
1799 Bond Registrar. Failure so to mail any such notice to the
1800 holder of any Bond or any defect therein shall not affect the
1801 validity of the proceedings for such redemption as to the
1802 holders of any Bonds to whom notice has been mailed. The
1803 Issuer agrees that (a) upon notification by the Company of its
1804 intention to exercise its right to require the redemption of
1805 any of the Bonds, or (b) in connection with any other
1806 redemption of the Bonds, it will execute and deliver to the
1807 Trustee such notice of redemption as may be required to
1808 accomplish the same.

1809

1810 If, on or prior to the redemption date, sufficient
1811 moneys shall be deposited in the Bond Fund to pay the principal
1812 amount of the Bonds called for redemption and accrued interest
1813 and redemption premium due thereon on such redemption date, the
1814 Bonds or portions thereof thus called and provided for as

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1815 hereinabove specified shall not bear interest after the
1816 redemption date and shall not be considered to be outstanding
1817 or to have any other rights under this Indenture other than
1818 this right to receive payment.

1819

1820 Section 303. Cancellation. All Bonds which have
1821 been surrendered for the purpose of payment (including Bonds
1822 which have been redeemed prior to maturity) shall be cancelled
1823 and subsequently destroyed by the Trustee and shall not be
1824 reissued and a written notice of such cancellation and
1825 destruction shall be furnished by the Trustee to the Issuer and
1826 the Company. The Company may deliver to the Trustee any Bonds
1827 owned by the Company for cancellation pursuant to this Section
1828 303.

1829

1830 Section 304. Payment of Bonds Upon Redemption;
1831 Partial Redemption. In the event of any redemption of the
1832 Bonds, the Trustee as Paying Agent, shall pay the redemption
1833 price of the Bonds on the redemption date for the Bonds in
1834 lawful money of the United States of America upon presentation
1835 of the Bonds to be redeemed at the Principal Office of the
1836 Trustee.

1837

1838 In the event of any partial redemption of the Bonds,
1839 the particular Bonds or portions thereof to be redeemed shall
1840 be selected by the Trustee in such manner as the Trustee shall
1841 deem fair and equitable; provided that the Bonds shall be
1842 redeemed only in the principal amount of \$5,000 or any integral
1843 multiple thereof. In the event of the partial redemption of a
1844 Bond of a denomination greater than \$5,000, then for all
1845 purposes in connection with such redemption, each \$5,000 of
1846 face value shall be treated as though it were a separate Bond
1847 in the denomination of \$5,000. If it is determined that one or
1848 more, but not all, of the \$5,000 units of face value
1849 represented by any Bond are to be redeemed, then on the
1850 redemption date for such Bond, the owner of such Bond shall
1851 forthwith surrender such Bond to the Trustee (i) for payment of
1852 the redemption price (including accrued interest or redemption
1853 premium due thereon on the date fixed for redemption) of the
1854 portion thereof called for redemption and (ii) at the option of
1855 the owner of such Bond (1) for appropriate endorsement thereon
1856 to reflect such redemption or (2) for exchange for Bonds,
1857 without charge therefor, in any authorized denomination or
1858 denominations in exchange for and in the aggregate principal
1859 amount of the unredeemed portion of such Bond. If the holder
1860 of any such Bond of a denomination greater than \$5,000 shall
1861 fail to present such Bond to the Trustee for payment and
1862 endorsement or exchange, as aforesaid, such Bond shall,
1863 nevertheless, become due and payable on the date fixed for

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1864 redemption to the extent of the \$5,000 unit or units of
1865 principal amount called for redemption (and to that extent
1866 only).

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ARTICLE IV.

GENERAL AGREEMENTS

Section 401. Payment of Principal and Interest. The Issuer agrees that it will promptly pay solely from the Trust Estate the principal of, and the redemption premium (if any) and the interest on, the Bonds at the places, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning hereof and thereof.

Section 402. Performance of Agreements; Authority. The Issuer agrees that it will faithfully perform at all times any and all agreements, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond, and in all proceedings of the Issuer pertaining thereto. The Issuer agrees that it is authorized under the Constitution and laws of the State (a) to issue the Bonds and to execute, deliver and perform this Indenture, and (b) to grant to the Trustee a security interest in the Trust Estate in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution, delivery and performance of this Indenture has been effectively taken, and that the Bonds are and will be legal, valid, binding and enforceable limited obligations of the Issuer according to the import thereof.

Section 403. Recordation of Financing Statements. The Issuer agrees that it will cause all Financing Statements (other than continuation statements) to be kept, recorded and filed in such manner and in such places as may be required by law in order to fully protect and preserve the priority of the interest of the bondholders in the Trust Estate and the rights, privileges and options of the Trustee hereunder. Pursuant to Section 1113, the Trustee has agreed to file or cause to be filed certain continuation statements.

Section 404. Priority of Pledge and Security Interest. The pledge herein made of the Trust Estate and the security interest created herein with respect thereto constitute a first and prior pledge of, and a security interest in, the Trust Estate. Said pledge and security interest shall at no time be impaired directly or indirectly by the Issuer or the Trustee, and the Trust Estate shall not otherwise be pledged and, except as provided herein and in the Agreement, no persons shall have any rights with respect thereto.

1916 Section 405. Rights Under Agreement. The Agreement
1917 sets forth the respective obligations of the Issuer and the
1918 Company, including a provision that subsequent to the original
1919 issuance and delivery of the Bonds and prior to Payment in Full
1920 of the Bonds, the Agreement may not be effectively amended,
1921 changed, modified, altered or terminated (other than as
1922 provided therein) without the written consent of the Trustee.
1923 The Trustee shall give such written consent upon receipt of
1924 (a) a certification by an Authorized Company Representative
1925 certifying that such amendment, change, modification,
1926 alteration or termination does not (i) decrease the amount
1927 available for the payment of the Bonds and/or (ii) render the
1928 interest on the Bonds taxable, and (b) an opinion of Counsel
1929 for the Company that such amendment, change, modification,
1930 alteration or termination will not be materially adverse to the
1931 interest of the bondholders and that the requirements with
1932 respect thereto under Article XIV have been met. Reference is
1933 hereby made to the Agreement for detailed statements of the
1934 obligations of the Company thereunder, and the Issuer agrees
1935 that the Trustee in its own name or in the name of the Issuer
1936 may enforce all rights of the Issuer and all obligations of the
1937 Company under and pursuant to the Agreement (except certain
1938 rights reserved by the Issuer under the terms hereof) for and
1939 on behalf of the bondholders, whether or not the Issuer is in
1940 Default hereunder.

1941
1942 Section 406. Limitation of Liability of the Issuer.
1943 The Issuer shall not be required to take any action hereunder
1944 unless requested in writing to do so by the Company or the
1945 Trustee and provided that it is satisfactorily indemnified
1946 against all reasonable costs. In the event of any default by
1947 the Issuer hereunder, the liability of the Issuer to the
1948 Company shall be enforceable only out of its interest in the
1949 Agreement and there shall be no other recourse for damages by
1950 the Company against the Issuer, its officers, agents and
1951 employees, or any of the property now or hereafter owned by it
1952 or them.

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ARTICLE V.

BOND FUND

Section 501. Creation of the Bond Fund. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "City of Fort Wayne, Indiana Bond Fund -- General Motors Corporation Project, 1985", which shall be used to pay the principal of, and the redemption premium (if any) and the interest on the Bonds. There shall be established as trust accounts within the Bond Fund a General Account and a Special Account. Any reference herein to "Bond Fund" without further qualification or explanation shall constitute a reference to the General Account.

Section 502. Payments into the Bond Fund. There shall be paid into the General Account in the Bond Fund, as and when received,

(a) all payments specified in Section 4.2 of the Agreement;

(b) all accrued interest received upon the original sale of the Bonds; and

(c) all income earned on any amounts held in the Special Account in the Bond Fund,

(d) all other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture or the Agreement which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund.

Section 503. Use of Moneys in the Bond Fund.

(a) Except as provided in Sections 506, 902 and 1102, moneys in the Bond Fund shall be used solely for the payment of the principal of, and the redemption premium (if any) and the interest on the Bonds. No part of the payments to be made by the Company under the Agreement (excluding prepayments under Sections 7.1, 7.2 and 7.3 of the Agreement) shall be used to redeem, prior to maturity, the Bonds or any portions thereof; provided, that whenever the moneys held in the Bond Fund (in the General Account and the Special Account) from any source whatsoever are sufficient to redeem all of the Bonds and to pay interest to accrue thereon prior to such redemption, the Issuer agrees to take and cause to be taken the

2003 necessary steps to redeem all of the Bonds on the next
2004 succeeding redemption date for which the required redemption
2005 notice can be given.

2006

2007 (b) At the maturity date or the redemption date
2008 prior to maturity of each Bond and on each Interest Payment
2009 Date, the Trustee shall transfer from the General Account in
2010 the Bond Fund to the Special Account in the Bond Fund
2011 sufficient moneys to pay any principal and/or redemption
2012 premium (if any) and/or interest then due and payable with
2013 respect to each such Bond. Moneys so transferred into the
2014 Special Account shall thereafter be invested on a daily basis
2015 in Government Obligations by the Trustee at the direction of
2016 the Company pending disbursement. All income thereon shall be
2017 paid into the General Account and the balance shall be held by
2018 the Trustee without liability to the bondholders on the part of
2019 the Trustee or the Issuer for interest thereon until actually
2020 paid out for the purposes intended.

2021

2022 (c) The Issuer hereby authorizes and directs the
2023 Trustee to withdraw, from time to time, sufficient moneys from
2024 the Special Account in the Bond Fund to pay the principal of,
2025 the redemption premium (if any) and the interest on the Bonds
2026 as the same become due and payable, which authorization and
2027 direction the Trustee hereby accepts.

2028

2029 Section 504. Non-presentment of Bonds at Final
2030 Maturity. If any Bond shall not be presented for payment when
2031 the principal thereof or the final installment of principal
2032 thereof becomes due, either at maturity or at the redemption
2033 date, provided moneys sufficient to pay such Bond shall have
2034 been made available to the Trustee and are held in the Special
2035 Account in the Bond Fund for the benefit of the holder thereof,
2036 all liability of the Issuer to the holder thereof for the
2037 payment of such Bond shall forthwith cease, determine and be
2038 completely discharged, and thereupon it shall be the duty of
2039 the Trustee to hold such moneys, subject to the provisions of
2040 Section 506(b), in the Special Account, without liability for
2041 interest thereon, for the benefit of the holder of such Bond,
2042 who shall thereafter be restricted exclusively to moneys held
2043 in the Special Account, or paid by the Trustee to the Company
2044 pursuant to the provisions of Section 506(b), for any claim of
2045 whatever nature on his part hereunder or on, or with respect
2046 to, such Bond.

2047

2048 Section 505. Moneys to Be Held in Trust. All moneys
2049 paid over to the Trustee for the account of the Bond Fund (to
2050 be held in the General Account or the Special Account therein)
2051 under any provision hereof shall be held (subject to the

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2052 provisions of Section 506) in trust by the Trustee for the
2053 benefit of the holders of the Bonds entitled to be paid
2054 therefrom.

2055

2056 Section 506. Payments to the Company from the Bond
2057 Fund.

2058

2059 (a) Any moneys remaining in the General Account in
2060 the Bond Fund shall be paid to the Company upon Payment in Full
2061 of the Bonds.

2062

2063 (b) Any moneys held by the Trustee in the Special
2064 Account in the Bond Fund shall be retained by the Trustee for
2065 the payment or the redemption of Bonds not yet presented for
2066 payment or redemption. If after two (2) years moneys held for
2067 the holders of certain Bonds have not been claimed, the Trustee
2068 shall, after giving notice to the holders of such Bonds at the
2069 last addresses shown on the registration books maintained by
2070 the Bond Registrar, return to the Company upon written request,
2071 all moneys held by the Trustee in the Special Account with
2072 respect to such Bonds, subject to any other requirements of law
2073 as may be applicable to such funds, and any such holder shall
2074 thereafter, as an unsecured general creditor, look only to the
2075 Company for the payment of any such Bond and all liability of
2076 the Trustee shall thereupon cease. The two-year period
2077 described in this subsection shall not commence to run until
2078 the moneys in question are actually subject to immediate claim
2079 by the holders of the Bonds in question.

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ARTICLE VI.

BOND PURCHASE FUND

Section 601. Creation of the Bond Purchase Fund.

There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "City of Fort Wayne, Indiana Bond Purchase Fund -- General Motors Corporation Project, 1985", which shall be used to pay the Purchase Price of any Bonds required to be purchased under this Indenture. There shall be established as trust accounts within the Bond Purchase Fund a General Account and a Special Account. Any reference to "Bond Purchase Fund" without further qualification or explanation shall constitute a reference to the General Account.

Section 602. Payments into the Bond Purchase Fund.

There shall be paid into the General Account in the Bond Purchase Fund, as and when received,

(a) the proceeds of any remarketing of Bonds by the Remarketing Agent pursuant to Section 207;

(b) all payments specified in Section 4.3 of the Agreement; and

(c) all other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture or the Agreement which are required or which are accompanied by directions that such moneys are to be paid into the Bond Purchase Fund.

Section 603. Use of Moneys in the Bond Purchase

Fund.

(a) Except as provided in Section 605, moneys in the Bond Purchase Fund shall be used solely for the payment of the Purchase Price of Bonds required to be purchased by the Tender Agent on each Purchase Date pursuant to Sections 206 and 208.

(b) On each Purchase Date the Trustee shall transfer from the General Account in the Bond Purchase Fund to the Special Account in the Bond Purchase Fund sufficient moneys to pay the Purchase Price of the Bonds to be purchased on such date. Until actually paid out for the purposes intended, moneys so transferred into the Special Account shall not thereafter be invested in any manner but shall be held by the Trustee without liability on the part of the Trustee or the Issuer for interest thereon.

2132 (c) The Trustee shall withdraw, from time to time,
2133 sufficient moneys from the Special Account in the Bond Purchase
2134 Fund and transfer such moneys to the Tender Agent for use by
2135 the Tender Agent to pay the Purchase Price of Bonds required to
2136 be purchased by the Tender Agent pursuant to Sections 206 and
2137 208, which authorization and direction the Trustee hereby
2138 accepts. The Tender Agent shall return all funds unclaimed on
2139 the Purchase Date to the Trustee. The Trustee shall deposit in
2140 the Special Account in the Bond Purchase Fund any moneys not
2141 claimed on any Purchase Date by any holder of a Bond tendered
2142 (or deemed to have been tendered) for purchase on such date
2143 when such moneys are delivered to the Trustee by the Tender
2144 Agent. Funds for the payment of the Purchase Price of such
2145 Bonds shall be drawn by the Trustee from the Special Account in
2146 the Bond Purchase Fund in the order of priority indicated
2147 below:

2148
2149 (i) the proceeds of the remarketing of Bonds by the
2150 Remarketing Agent pursuant to Section 207;

2151
2152 (ii) payments by the Company pursuant to Section 4.3
2153 of the Agreement; and

2154
2155 (iii) all other moneys received by the Trustee under
2156 and pursuant to any provisions of this Indenture or the
2157 Agreement which are required or which are accompanied by
2158 directions that such moneys are to be paid into the
2159 Special Account in the Bond Purchase Fund.

2160
2161 Promptly after receiving the notice required to be
2162 given to the Trustee by the Remarketing Agent pursuant to
2163 Section 1116(b), the Trustee shall give notice to the Company
2164 by telephone or telex, promptly confirmed in writing, of the
2165 amount, if any, which shall be paid by the Company to the
2166 Trustee, for deposit in the Bond Purchase Fund, on or before
2167 the Purchase Date, so that the Trustee will have moneys
2168 sufficient to pay the Purchase Price of Bonds required to be
2169 purchased on the Purchase Date.

2170
2171 Section 604. Moneys to be Held in Trust. All
2172 moneys paid over to the Trustee for the account of the Bond
2173 Purchase Fund (to be held in the General Account or the Special
2174 Account therein) under any provision hereof shall be held
2175 (subject to the provisions of Section 605) in trust by the
2176 Trustee for the benefit of the holders of the Bonds entitled to
2177 be paid therefrom.

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Section 605. Payments to the Company from the Bond
Purchase Fund.

(a) Any moneys remaining in the General Account in the Bond Purchase Fund shall be paid to the Company upon Payment in Full of the Bonds and the payment of the Purchase Price of all Bonds purchased by the Trustee pursuant to this Indenture.

(b) Any moneys held by the Trustee in the Special Account in the Bond Purchase Fund shall be retained by the Trustee for the payment of the Purchase Price of any Bonds purchased by the Trustee pursuant to the terms hereof. If after two (2) years moneys held for the former holders of certain Bonds have not been claimed, then the Trustee shall, after giving notice to the former holders of such Bonds at the last addresses of such former holders shown on the registration books maintained by the Bond Registrar, return to the Company upon written request all moneys held by the Trustee in the Special Account with respect to such Bonds, subject to any other requirements of law as may be applicable to such funds, and any such former holders shall thereafter, as an unsecured general creditor, look only to the Company for the payment of the Purchase Price of any such Bond and all liability of the Trustee shall thereupon cease. The two-year period described in this subsection shall not commence to run until the moneys in question are actually subject to immediate claim by the former holders of the Bonds in question.

ARTICLE VII.

PROJECT FUND

Section 701. Creation of the Project Fund. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "City of Fort Wayne, Indiana Project Fund - General Motors Corporation Project, 1985".

Section 702. Disposition of Bond Proceeds. Upon the issuance and delivery of the Bonds, the proceeds of the sale of the Bonds, less all accrued interest, shall be deposited in the Project Fund.

Section 703. Disbursements from Project Fund. Moneys in the Project Fund shall be disbursed in accordance with the provisions of the Agreement, particularly Section 3.3 thereof. The Trustee is hereby authorized and directed to issue its checks for each disbursement to be made pursuant to the provisions of the Agreement and the Trustee shall be relieved of all liability with respect to disbursements made in accordance with the provisions of Section 3.3 of the Agreement.

The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom and, after the Project has been completed and a certificate of completion of the Project shall have been filed by the Company with the Trustee in accordance with Section 3.5 of the Agreement, the Trustee shall file a statement of debits and credits with respect to the Project Fund with the Issuer and with the Company.

Upon the occurrence of an Event of Default, the Trustee shall transfer all moneys in the Project Fund to the Bond Fund and shall use such moneys in the manner provided in Section 1007.

Section 704. Completion of the Project. Any moneys remaining in the Project Fund after payment in full of all Costs of the Project (as defined in the Agreement) shall be used as specified in Section 3.3 of the Agreement.

ARTICLE VIII.

INVESTMENTS

Section 801. Project Fund Investments. Moneys held in the Project Fund shall be invested and reinvested by the Trustee in Permitted Investments as directed by the Company pursuant to Section 3.7 of the Agreement. Such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Project Fund and the interest accruing thereon and any profit resulting therefrom shall be credited to the Project Fund and any loss resulting therefrom shall be charged to the Project Fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments, which shall be selected by the Company to the extent practicable, whenever the cash held in the Project Fund is insufficient to pay a requisition when presented or to otherwise make a timely disbursement required to be made therefrom.

Section 802. Bond Fund Investments. Moneys held in the Bond Fund (other than moneys held in the Special Account in the Bond Fund referred to in Section 501) shall be invested and reinvested by the Trustee in Permitted Investments as directed by the Company pursuant to Section 3.7 of the Agreement. Moneys held in Special Account of the Bond Fund shall be invested as described in Section 503(b) hereof. Such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Bond Fund and the interest accruing thereon and any profit realized therefrom shall be credited to the Bond Fund and any loss resulting therefrom shall be charged to the Bond Fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments, which shall be selected by the Company to the extent practicable, in the Bond Fund whenever the cash held in the Bond Fund is insufficient to provide for the payment of the principal of (whether at the maturity date or the redemption date prior to maturity) and redemption premium (if any) and the interest on the Bonds as the same become due and payable. Any interest or gain received from such investments shall be credited to and held in the Bond Fund and any loss from such investments shall be charged against the Bond Fund and paid by the Company.

Section 803. Bond Purchase Fund Investments. Moneys held in the Bond Purchase Fund (other than moneys held in the Special Account in the Bond Purchase Fund referred to in Section 601) shall be invested and reinvested by the Trustee in

2301 Permitted Investments as directed by the Company pursuant to
2302 Section 3.7 of the Agreement. Such investments shall be held
2303 by or under the control of the Trustee and shall be deemed at
2304 all times a part of the Bond Purchase Fund and the interest
2305 accruing thereon and any profit realized therefrom shall be
2306 credited to the Bond Purchase Fund and any loss resulting
2307 therefrom shall be charged to the Bond Purchase Fund. The
2308 Trustee is directed to sell and convert to cash a sufficient
2309 amount of such investments, which shall be selected by the
2310 Company to the extent practicable, in the Bond Purchase Fund
2311 whenever cash held in the Bond Purchase Fund is insufficient to
2312 provide for the payment of the Purchase Price of any Bonds
2313 required to be purchased hereunder. Any interest or gain
2314 received from such investments shall be credited to and held in
2315 the Bond Purchase Fund and any loss from such investments shall
2316 be charged against the Bond Purchase Fund and paid by the
2317 Company.

2318
2319 Section 804. Indemnification for Investments. The
2320 Company agrees to indemnify and hold the Trustee and the
2321 Co-Trustee, their officers, employees and agents, harmless
2322 against and from any and all losses, claims, damages or
2323 liabilities, joint or several, to which the Trustee and the
2324 Co-Trustee, their officers, employees and agents, may become
2325 subject to in connection with the investments referred to in
2326 this Article VIII, to the extent that any such losses, claims,
2327 damages or liabilities arise from investments made at the
2328 direction of the Company, or upon failure to receive such
2329 directions after notice from the Trustee or the Co-Trustee,
2330 investments made on behalf of the Company in accordance with
2331 this Indenture; provided, however, the Company shall not be
2332 required to indemnify the Trustee or the Co-Trustee, or any of
2333 its officers, employees or agents, to the extent any such
2334 losses, claims, damages or liabilities are caused by their
2335 negligence or willful misconduct.

2336
2337 Section 805. Non-Arbitrage Covenant; Compliance with
2338 Special Arbitrage Rules. The Issuer and the Trustee jointly
2339 and severally covenant and agree with each other for the
2340 benefit of the holders of any of the Bonds, present and future,
2341 that moneys on deposit in any fund or account created and held
2342 in connection with the Bonds, whether or not such moneys were
2343 derived from the "gross proceeds" (defined in Section 5.8 of
2344 the Agreement) of the Bonds or from any other sources, will not
2345 be used in a manner which will cause the Bonds to be classified
2346 as "arbitrage bonds" within the meaning of Section 103(c) of
2347 the Code.

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2349 The Issuer and the Trustee jointly and severally
2350 further covenant and agree with each other, with the Company
2351 and with the holders of any of the Bonds from time to time
2352 outstanding that so long as any of the Bonds remain
2353 outstanding, they will cooperate with the Company in complying
2354 with Section 5.8 of the Agreement.

2355
2356 Section 806. Excess Investment Earnings Account.
2357 There is hereby established a special trust account to be
2358 designated the "City of Fort Wayne, Indiana Excess Investment
2359 Earnings Account - General Motors Corporation Project, 1985"
2360 (hereinafter referred to as the "Excess Investment Earnings
2361 Account"), to be held by the Trustee. The Company has
2362 covenanted and agreed that it will (a) prepare and file with
2363 the Trustee and the Issuer a report setting forth the "Rebate
2364 Amount" determined in accordance with Section 5.8(b) of the
2365 Agreement, and (b) deposit or cause to be deposited into the
2366 Excess Investment Earnings Account any and all Rebate Amounts
2367 promptly following a determination of any such Rebate Amount.

2368
2369 The Trustee, as Project Fund and Bond Fund custodian,
2370 covenants and agrees that it will, on or before each
2371 anniversary of the Date of Issuance of the Bonds, prepare and
2372 file with the Issuer and the Company a report with respect to
2373 the Project Fund and the Bond Fund setting forth the total
2374 amounts invested during the preceding Bond Year, the
2375 investments made with the moneys in the Project Fund and the
2376 Bond Fund and the investment earnings (and losses) resulting
2377 from the investments in each such Fund, respectively, together
2378 with such additional information concerning such Funds and the
2379 investments therein, respectively, as the Issuer or the Company
2380 shall reasonably request.

2381
2382 The Trustee agrees that it will, to the extent
2383 practicable, keep all moneys in the Excess Investment Earnings
2384 Account fully invested in Permitted Investments and it will
2385 disburse all moneys in the Excess Investment Earnings Account
2386 to the United States at the times and in the manner set forth
2387 in Section 5.8 of the Agreement.

2388
2389 Moneys in the Excess Investment Earnings Account,
2390 including investment earnings thereon, if any, shall not be
2391 subject to the pledge of this Indenture and shall not
2392 constitute part of the Trust Estate held for the benefit of the
2393 holders of the Bonds.

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ARTICLE IX.

DISCHARGE OF LIEN

Section 901. Discharge of Lien and Security
Interests. Upon Payment in Full of the Bonds, then these presents and the Trust Estate and the security interests shall cease, determine and be void, and thereupon the Trustee and the Co-Trustee, upon receipt by the Trustee and the Co-Trustee of an opinion of Counsel stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel and discharge this Indenture and the security interests, and shall execute and deliver to the Issuer and the Company such instruments in writing as shall be required to cancel and discharge this Indenture and the security interests, and reconvey to the Issuer and the Company the Trust Estate, and assign and deliver to the Issuer and the Company so much of the Trust Estate as may be in its possession or subject to its control, except for moneys and Government Obligations held in the Special Account in the Bond Fund for the purpose of paying Bonds and except for moneys held in the Special Account in the Bond Purchase Fund for the purpose of paying the Purchase Price of the Bonds which have been purchased by the Tender Agent; provided, however, such cancellation and discharge of this Indenture shall not terminate the powers and rights granted to the Trustee with respect to the payment, transfer and exchange of the Bonds; and provided, further, that the rights of the Trustee, the Co-Trustee, the Paying Agent, any Co-Paying Agent, the Bond Registrar, any Co-Bond Registrar, the Remarketing Agent, the Rate Setting Agent and the Tender Agent to indemnity and payment of all reasonable fees and expenses shall survive the termination of the Trust Estate pursuant to this Section.

Section 902. Provision for Payment of Bonds. Bonds shall be deemed to have been paid within the meaning of Section 901 if:

(a) there shall have been irrevocably deposited in the Special Account in the Bond Fund either:

(i) sufficient moneys, or

(ii) Government Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held

2444 in trust also), be sufficient together with any
2445 moneys referred to in subsection (i) above, for the
2446 payment at their respective maturities or redemption
2447 dates prior to maturity, of the principal thereof and
2448 the redemption premium (if any) and interest to
2449 accrue thereon to such maturity or redemption dates,
2450 as the case may be;

2451
2452 (b) there shall have been paid to the Trustee all
2453 fees and expenses of the Trustee, the Co-Trustee, the
2454 Paying Agent, any Co-Paying Agent, the Bond Registrar, any
2455 Co-Bond Registrar, the Tender Agent, the Rate-Setting
2456 Agent and the Remarketing Agent due or to become due in
2457 connection with the payment or redemption of the Bonds or
2458 there shall be sufficient moneys in said Special Account
2459 to make said payments; and
2460

2461 (c) if any Bonds are to be redeemed on any date
2462 prior to their maturity, the Trustee shall have received
2463 in form satisfactory to it irrevocable instructions to
2464 redeem such Bonds on such date and either evidence
2465 satisfactory to the Trustee that all redemption notices
2466 required by this Indenture have been given or irrevocable
2467 power authorizing the Trustee to give such redemption
2468 notices.
2469

2470 Limitations elsewhere specified herein regarding the
2471 investment of moneys held by the Trustee in the Special Account
2472 in the Bond Fund shall not be construed to prevent the
2473 depositing and holding in said Special Account of the
2474 obligations described in the preceding subparagraph (a)(ii) for
2475 the purpose of defeasing the lien of this Indenture as to Bonds
2476 which have not yet become due and payable. In addition, all
2477 moneys so deposited with the Trustee as provided in this
2478 Section 902 may also be invested and reinvested, at the
2479 direction of the Company, in Government Obligations, maturing
2480 in the amounts and at the times as hereinbefore set forth, and
2481 all income from all Government Obligations in the hands of the
2482 Trustee pursuant to this Section 902 which is not required for
2483 the payment of the Bonds and interest and redemption premium,
2484 if any, thereon with respect to which such moneys shall have
2485 been so deposited shall be deposited in the Special Account in
2486 the Bond Fund as and when realized and collected for use and
2487 application as are other moneys deposited in the Special
2488 Account in the Bond Fund.
2489

2490 Section 903. Discharge of the Indenture. Notwith-
2491 standing the fact that the lien of this Indenture upon the
2492 Trust Estate may have been discharged and cancelled in

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ARTICLE X.

DEFAULT PROVISIONS AND REMEDIES
OF TRUSTEE AND BONDHOLDERS

Section 1001. Defaults; Events of Default. If any of the following events occurs, subject to the terms of Section 1012, it is hereby defined as and declared to be and to constitute an "Event of Default" hereunder:

(a) Default in the due and punctual payment of any interest on any Bond; or

(b) Default in the due and punctual payment of the principal of or redemption premium on any Bond, whether at the maturity date or the redemption date prior to maturity, or upon maturity thereof by declaration; or

(c) Default in the due and punctual payment of the Purchase Price of any Bond required to be purchased hereunder; or

(d) Default in the performance or observance of any other of the agreements or conditions on the part of the Issuer herein or in the Bonds contained; or

(e) the occurrence and continuance of an "Event of Default" under the Agreement.

The Trustee shall give notice by telephone or telex, promptly confirmed in writing, of the occurrence of an Event of Default to the Notice Parties.

Section 1002. Acceleration. Upon the occurrence of an Event of Default hereunder resulting from the occurrence of an Event of Default under subsection 6.1(d) or (e) of the Agreement, the principal of all Bonds and the interest accrued thereon shall automatically become due and payable, without any action or declaration of acceleration by the Trustee. Upon the occurrence of an Event of Default hereunder for any other reason, the Trustee may, and upon the written request of the holders of not less than twenty-five per centum (25%) in principal amount of Bonds then outstanding shall, by notice in writing delivered to the Issuer and the Company, declare the principal of all Bonds and the interest accrued thereon to the date of such acceleration immediately due and payable, and the same shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder, the Trustee

2551 shall declare the payments due under the Agreement to be
2552 immediately due and payable in accordance with Section 6.2 of
2553 the Agreement.

2554

2555 Section 1003. Other Remedies. Upon the occurrence
2556 of an Event of Default, the Trustee shall have the power to
2557 proceed with any right or remedy granted by the Constitution
2558 and laws of the State, as it may deem best, including any suit,
2559 action or special proceeding in equity or at law for the
2560 specific performance of any agreement contained herein or for
2561 the enforcement of any proper legal or equitable remedy as the
2562 Trustee shall deem most effectual to protect the rights of the
2563 bondholders.

2564

2565 Section 1004. Rights of Bondholders. Upon the
2566 occurrence of an Event of Default and if requested so to do by
2567 the holders of twenty-five per centum (25%) in principal amount
2568 of Bonds then outstanding and if indemnified as provided in
2569 Section 1101, the Trustee, subject to the provisions of Section
2570 1005, shall exercise one or more of the rights and remedies
2571 conferred by this Article as the Trustee, being advised by
2572 Counsel, shall deem most expedient in the interests of the
2573 bondholders.

2574

2575 No right or remedy by the terms hereof conferred upon
2576 or reserved to the Trustee (or to the bondholders) is intended
2577 to be exclusive of any other right or remedy, but each and
2578 every such right and remedy shall be cumulative and shall be in
2579 addition to any other right or remedy given to the Trustee or
2580 to the bondholders or now or hereafter existing at law, in
2581 equity or by statute.

2582

2583 No delay or omission to exercise any right or remedy
2584 accruing upon any Event of Default shall impair any such right
2585 or remedy or shall be construed to be a waiver of any such
2586 Event of Default or acquiescence therein; and every such right
2587 and remedy may be exercised from time to time and as often as
2588 may be deemed expedient.

2589

2590 No waiver of any Event of Default hereunder, whether
2591 by the Trustee or by the bondholders, shall extend to or shall
2592 affect any subsequent Event of Default or shall impair any
2593 rights or remedies consequent thereon.

2594

2595 Section 1005. Rights of Bondholders to Direct
2596 Proceedings. Anything herein to the contrary notwithstanding,
2597 the holders of a majority in principal amount of Bonds then
2598 outstanding shall have the right, at any time, by an instrument
2599 or instruments in writing executed and delivered to the

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2600 Trustee, to direct the method and place of conducting all
2601 proceedings to be taken in connection with the enforcement of
2602 the terms and conditions hereof, or for the appointment of a
2603 receiver or any other proceedings hereunder; provided, that
2604 such direction shall not be otherwise than in accordance with
2605 the provisions hereof and of law.

2606

2607 Section 1006. Appointment of Receivers. Upon the
2608 occurrence of an Event of Default and upon the filing of a suit
2609 or other commencement of judicial proceedings to enforce the
2610 rights and remedies of the Trustee and of the bondholders
2611 hereunder, the Trustee shall be entitled, as a matter of right,
2612 to the appointment of a receiver or receivers of the Trust
2613 Estate, pending such proceedings, with such powers as the court
2614 making such appointment shall confer.

2615

2616 Section 1007. Application of Moneys. All moneys
2617 received by the Trustee pursuant to any right given or action
2618 taken under the provisions of this Article shall, after payment
2619 of the costs and expenses of the proceedings resulting in the
2620 collection of such moneys and of the expenses, liabilities and
2621 advances incurred or made by the Trustee, be deposited in the
2622 Bond Fund and all moneys in the Bond Fund shall be applied, as
2623 follows:

2624

2625 (a) Unless the principal of all of the Bonds shall
2626 have become or shall have been declared due and payable,
2627 all such moneys shall be applied:

2628

2629 FIRST - to the payment to the persons entitled
2630 thereto of all installments of interest then due on
2631 the Bonds (other than installments of interest on
2632 Bonds with respect to the payment of which moneys
2633 and/or Government Obligations are set aside in the
2634 Special Account in the Bond Fund), in the order of
2635 the maturity of the installments of such interest
2636 and, if the amount available shall not be sufficient
2637 to pay in full any particular installment, then to
2638 the payment ratably, according to the amounts due on
2639 such installment, to the persons entitled thereto,
2640 without any discrimination or privilege; and

2641

2642 SECOND - to the payment to the persons entitled
2643 thereto of the unpaid principal of any of the Bonds
2644 which shall have become due (other than principal of
2645 Bonds with respect to the payment of which moneys
2646 and/or Government Obligations are set aside in the
2647 Special Account in the Bond Fund), in the order of
2648 their due dates, with interest on such Bonds from the

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2649 respective dates upon which they become due and, if
2650 the amount available shall not be sufficient to pay
2651 in full Bonds due on any particular date, together
2652 with such interest, then to the payment ratably,
2653 according to the amount of principal due on such
2654 date, to the persons entitled thereto without any
2655 discrimination or privilege.
2656

2657 (b) If the principal of all the Bonds shall have
2658 become due or shall have been declared due and payable,
2659 all such moneys shall be applied to the payment of the
2660 principal and the interest then due and unpaid upon the
2661 Bonds (other than principal of and the interest on Bonds
2662 with respect to the payment of which moneys and/or
2663 Government Obligations are set aside in the Special
2664 Account in the Bond Fund), without preference or priority
2665 of principal over interest or of interest over principal,
2666 or of any installment of interest over any other
2667 installment of interest, or of any Bond over any other
2668 Bond, ratably, according to the amounts due respectively
2669 for principal and interest, to the persons entitled
2670 thereto without any discrimination or privilege.
2671

2672 (c) If the principal of all the Bonds shall have
2673 been declared due and payable, and if such declaration
2674 shall thereafter have been rescinded and annulled under
2675 the provisions of this Article, then, subject to the
2676 provisions of paragraph (b) of this Section in the event
2677 that the principal of all the Bonds shall later become due
2678 or be declared due and payable, the moneys shall be
2679 applied in accordance with the provisions of paragraph (a)
2680 of this Section.
2681

2682 Whenever moneys are to be applied pursuant to the
2683 provisions of this Section, such moneys shall be applied at
2684 such times, and from time to time, as the Trustee shall
2685 determine, having due regard to the amount of such moneys
2686 available for such application in the future; the setting aside
2687 of such moneys in trust for the proper purposes shall
2688 constitute proper application by the Trustee, and the Trustee
2689 shall incur no liability to the Issuer or to any bondholder or
2690 any other person for any delay in applying such moneys so long
2691 as the Trustee acts with reasonable diligence, having due
2692 regard to the circumstances, and ultimately applies such moneys
2693 in accordance with the provisions of this Indenture as may be
2694 applicable at the time of such application. Whenever the
2695 Trustee shall apply such funds, it shall fix the date (which
2696 shall be an Interest Payment Date unless it shall deem another
2697 date more suitable) upon which such application is to be made

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2698 and upon such date interest on the amounts of principal to be
2699 paid on such dates shall cease to accrue. The Trustee shall
2700 give such notice as it may deem appropriate of the deposit with
2701 it of any such moneys and of the fixing of any such date, and
2702 shall not be required to make payment to the holder of any Bond
2703 until such Bond shall be presented to the Trustee.

2704

2705 Any moneys remaining in the Bond Fund shall be paid
2706 to the Company in accordance with Section 506.

2707

2708 Section 1008. Rights and Remedies Vested in Trustee.

2709 All rights and remedies of action (including the right to file
2710 proof of claims) hereunder or under any of the Bonds may be
2711 enforced by the Trustee without the possession of any of the
2712 Bonds or the production thereof in any trial or other
2713 proceedings relating thereto and any such suit or proceeding
2714 instituted by the Trustee shall be brought in its name as
2715 Trustee without the necessity of joining as plaintiffs or
2716 defendants any holders of the Bonds, and any recovery of
2717 judgment shall be for the equal benefit of the holders of the
2718 Bonds.

2719

2720 Section 1009. Rights and Remedies of Bondholders.

2721 No holder of any Bond shall have any right to institute any
2722 suit, action or proceeding in equity or at law for the
2723 enforcement hereof, for the execution of any trust hereof or
2724 for the appointment of a receiver or to enforce any other right
2725 or remedy hereunder, unless (i) a Default has occurred of which
2726 the Trustee has been notified as provided in subsection (e)(iv)
2727 of Section 1101, or of which by said subsection it is deemed to
2728 have notice, (ii) such Default shall have become an Event of
2729 Default and the holders of twenty-five per centum (25%) in
2730 principal amount of Bonds then outstanding shall have made
2731 written request to the Trustee and shall have offered
2732 reasonable opportunity either to proceed to exercise the powers
2733 hereinbefore granted or to institute such action, suit or
2734 proceeding in its own name, and (iii) such bondholders have
2735 offered to the Trustee indemnity as provided in Section 1101,
2736 and the Trustee shall thereafter fail or refuse to exercise the
2737 powers hereinbefore granted, or to institute such action, suit
2738 or proceeding in its own name. Such notification, request and
2739 offer of indemnity are hereby declared in every case at the
2740 option of the Trustee to be conditions precedent to the
2741 execution of the powers and trusts hereof, and to any action or
2742 cause of action for the enforcement hereof, or for the
2743 appointment of a receiver or for any other right or remedy
2744 hereunder; it being understood and intended that no one or more
2745 holders of the Bonds shall have any right in any manner
2746 whatsoever to affect, disturb or prejudice the lien hereof by

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2747 its, his or their action or to enforce any right or remedy
2748 hereunder except in the manner herein provided, and that all
2749 proceedings at law or in equity shall be instituted, had and
2750 maintained in the manner herein provided and for the equal
2751 benefit of the holders of all Bonds. Nothing herein contained
2752 shall, however, effect or impair the right of any bondholder to
2753 enforce the payment of the principal of, the redemption premium
2754 (if any) and the interest on any Bond at and after the maturity
2755 thereof, or the obligation of the Issuer to pay the principal
2756 of, the redemption premium (if any) and the interest on each of
2757 the Bonds issued hereunder to the respective holders thereof at
2758 the time, place, from the source and in the manner expressed in
2759 the Bonds.

2760

2761 Section 1010. Termination of Proceedings. If the
2762 Trustee shall have proceeded to enforce any right or remedy
2763 hereunder by the appointment of a receiver, by entry or
2764 otherwise, and such proceedings shall have been discontinued or
2765 abandoned for any reason, or shall have been determined
2766 adversely, then and in every such case the Issuer and the
2767 Trustee shall be restored to their former positions and rights
2768 hereunder with respect to the Trust Estate, and all rights,
2769 remedies and powers of the Trustee shall continue as if no such
2770 proceedings had been taken.

2771

2772 Section 1011. Waivers of Events of Defaults. The
2773 Trustee shall waive any Event of Default hereunder and its
2774 consequences and rescind any declaration of acceleration of the
2775 maturity of principal of the Bonds upon the written request of
2776 the holders of a majority in principal amount of all Bonds then
2777 outstanding in the case of any Event of Default; provided,
2778 however, that there shall not be waived

2779

2780 (a) any Event of Default pertaining to payment of
2781 the principal of any Bond at its maturity date or
2782 redemption date prior to maturity, or any Event of Default
2783 pertaining to the payment when due of the redemption
2784 premium or interest on any Bond, unless prior to such
2785 waiver or rescission, the principal of, redemption premium
2786 (if any) and interest on all Bonds in respect of which
2787 such Event of Default shall have occurred, and all
2788 expenses of the Trustee in connection with such Event of
2789 Default, shall have been paid or provided for; or

2790

2791 (b) any Event of Default pertaining to payment when
2792 due of the Purchase Price of any Bond required to be
2793 purchased hereunder, unless prior to such waiver or
2794 rescission, the Purchase Price of such Bond in respect of
2795 which such Event of Default shall have occurred, and all

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2796 expenses of the Trustee in connection with such Event of
2797 Default, shall have been paid or provided for.
2798

2799 In case of any such waiver or rescission, or in case
2800 any proceeding taken by the Trustee on account of any such
2801 Event of Default shall have been discontinued or abandoned or
2802 determined adversely, then and in every such case the Issuer,
2803 the Trustee and the bondholders shall be restored to their
2804 former positions and rights hereunder, respectively, but no
2805 such waiver or rescission shall extend to any such subsequent
2806 or other Event of Default, or impair any right consequent
2807 thereon.
2808

2809 The Trustee shall not have any discretion to waive
2810 any Event of Default hereunder and its consequences except in
2811 the manner and subject to the terms expressed above.
2812

2813 If a declaration of acceleration is made pursuant to
2814 Section 1002, then and in every such case, the Trustee shall,
2815 upon the written request of the holders of a majority in
2816 principal amount of all Bonds then outstanding, annul such
2817 declaration, and the consequences thereof, provided that at the
2818 time such declaration is annulled:
2819

2820 (A) no judgment or decree has been entered for the
2821 payment of any moneys due pursuant to the Bonds;
2822

2823 (B) all arrears of interest on all of the Bonds and
2824 all other sums payable under the Bonds (except as to
2825 principal of, and interest on, the Bonds which has become
2826 due and payable by reason of such declaration) shall have
2827 been duly paid; and
2828

2829 (C) each and every Default hereunder shall have been
2830 waived pursuant to the preceding paragraph or otherwise
2831 made good or cured;
2832

2833 and, provided further, that no such annulment shall extend to
2834 or affect any subsequent Event of Default or impair any right
2835 consequent thereto. The Trustee shall not have any discretion
2836 to annul any declaration of acceleration made pursuant to
2837 Section 1002 and its consequences except in the manner and
2838 subject to the terms expressed hereinabove.
2839

2840 Section 1012. Notice of Defaults; Opportunity of
2841 Issuer and Company to Cure Defaults. No Default specified in
2842 Section 1001(d) shall constitute an Event of Default hereunder
2843 until notice of such Default by registered or certified mail
2844 shall be given by the Trustee to the Issuer and the Company,

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ARTICLE XI.

THE TRUSTEE; CO-TRUSTEE; PAYING AGENT
AND CO-PAYING AGENT; BOND REGISTRAR
AND CO-BOND REGISTRAR; REMARKETING AGENT;
RATE-SETTING AGENT; AND TENDER AGENT

Section 1101. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it hereby, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied agreements or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereunder and perform any of its duties by or through attorneys or agents, and shall not be responsible for the misconduct or negligence of any attorney or agent appointed by the Trustee with due care and with the prior written consent of the Company, and shall be entitled to advice of Counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of Counsel (who may be Counsel for the Issuer or the Company). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(c) Except as is specifically provided in Section 1113 with respect to the filing of continuation statements, the Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or for the recording or re-recording, filing or re-filing of this Indenture or the Agreement, or for

2926 insuring the Trust Estate or any part of the Project or
2927 collecting any insurance moneys, or for the validity of
2928 the execution hereof by the Issuer or of any supplements
2929 hereto or instruments of further assurance, or for the
2930 sufficiency of the security for the Bonds, or for the
2931 value of or title in and to the Trust Estate or any part
2932 of the Project or otherwise as to the maintenance of the
2933 security hereof; except that if the Trustee enters into
2934 possession of a part or all of the Trust Estate pursuant
2935 to any provision hereof it shall use due diligence in
2936 preserving the same, and the Trustee shall not be bound to
2937 ascertain or inquire as to the performance or observance
2938 of any agreements or conditions on the part of the Issuer
2939 or on the part of the Company under the Agreement, except
2940 as hereinafter set forth; but the Trustee may require of
2941 the Issuer or the Company full information and advice as
2942 to the performance of the agreements and conditions
2943 aforesaid and as to the condition of the Trust Estate.
2944

2945 (d) Except as is otherwise provided in subsection
2946 (a) above:
2947

2948 (i) The Trustee shall be protected in acting
2949 upon any notice, request, consent, certificate,
2950 order, affidavit, letter, telegram or other paper or
2951 document believed to be genuine and correct and to
2952 have been signed or sent by the proper person or
2953 persons. Any action taken by the Trustee, pursuant
2954 hereto upon the request, authority or consent of any
2955 person who at the time of making such request or
2956 giving such authority or consent is the holder of any
2957 Bond, shall be conclusive and binding upon all future
2958 holders of the same Bond and upon Bonds issued in
2959 exchange therefor or in place thereof.
2960

2961 (ii) As to the existence or non-existence of any
2962 fact or as to the sufficiency or validity of any
2963 instrument, paper or proceeding, the Trustee shall be
2964 entitled to rely upon a certificate signed on behalf
2965 of the Issuer by any officer or member as sufficient
2966 evidence of the facts therein contained and prior to
2967 the occurrence of a Default of which the Trustee has
2968 been notified as provided in subsection (e)(iv) of
2969 this Section, or of which by said subsection it is
2970 deemed to have notice, shall also be at liberty to
2971 accept a similar certificate to the effect that any
2972 particular dealing, transaction or action is
2973 necessary or expedient, but may at its discretion
2974 secure such further evidence deemed necessary or
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2975 advisable, but shall in no case be bound to secure
2976 the same. The Trustee may accept a certificate of
2977 any officer or member of the Issuer under its seal to
2978 the effect that a resolution in the form therein set
2979 forth has been adopted and is in full force and
2980 effect.

2981
2982 (iii) The right of the Trustee to do things
2983 enumerated herein shall not be construed as a duty
2984 and the Trustee shall not be answerable for other
2985 than its negligence or willful misconduct.
2986

2987 (iv) The Trustee shall not be required to take
2988 notice or be deemed to have notice of any Default
2989 hereunder except failure by the Issuer to cause to be
2990 made any of the payments to the Trustee required to
2991 be made by Articles V and VI unless a Responsible
2992 Officer of the Trustee shall be specifically notified
2993 in writing of such Default by the Issuer, by the
2994 Company or by the Holders of at least twenty-five per
2995 centum (25%) in principal amount of the Bonds. All
2996 notices or other instruments required to be delivered
2997 to the Trustee must, in order to be effective, be
2998 delivered at the Principal Office of the Trustee, and
2999 in the absence of such notice so delivered the
3000 Trustee may conclusively assume there is no Default
3001 except as aforesaid. In the event that any payment
3002 required to be made by Article V or VI is not paid
3003 when due, the Trustee shall notify the Company by
3004 telephone or telex, promptly confirmed in writing
3005 that such payment has not been made.
3006

3007 (e) The Trustee shall not be personally liable for
3008 any debts contracted or for damages to persons or
3009 property, or for salaries or non-fulfillment of contracts
3010 during any period in which it may be in the possession of
3011 or managing the Project as herein provided.
3012

3013 (f) The Trustee shall not be required to give any
3014 bond or surety in respect of the execution of the said
3015 trusts and powers or otherwise in respect of the premises.
3016

3017 (g) Notwithstanding anything elsewhere herein
3018 contained, the Trustee shall have the right, but shall not
3019 be required, to demand, in respect of the authentication
3020 of any Bonds, the withdrawal of any cash, the release of
3021 any property, or any action whatsoever within the purview
3022 hereof, any showings, certificates, opinions, appraisals
3023 or other information, or corporate action or evidence

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thereof, in addition to that required by the terms hereof as a condition of such action by the Trustee which the Trustee deems desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

(h) Before taking any action hereunder at the request or direction of any bondholder, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful misconduct of the Trustee by reason of any action so taken.

(i) All moneys received by the Trustee, the Paying Agent, any Co-Paying Agent, the Bond Registrar, the Co-Bond Registrar, the Remarketing Agent or the Tender Agent for the Bonds shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required herein or by law. Neither the Trustee, the Paying Agent, any Co-Paying Agent, the Bond Registrar, the Co-Bond Registrar, the Remarketing Agent nor the Tender Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(j) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(k) Except as provided in Section 1113, the Trustee shall not be under any obligation to see to the recording or filing of this Indenture, the Agreement or any other instrument or otherwise to the giving to any person of notice of the provisions hereof or thereof.

Section 1102. Fees, Charges and Expenses of Trustee and Co-Trustee. The Company shall (i) pay and/or reimburse the Trustee and the Co-Trustee for reasonable fees for their Ordinary Services rendered hereunder and all advances, Counsel fees and other Ordinary Expenses made or incurred by the

3073 Trustee and the Co-Trustee in connection with such Ordinary
3074 Services and, with the consent of the Company if it should
3075 become necessary that the Trustee or the Co-Trustee perform
3076 Extraordinary Services, prior to the occurrence of an Event of
3077 Default, and, without the consent of the Company, if it should
3078 become necessary that the Trustee or the Co-Trustee perform
3079 Extraordinary Services after the occurrence of an Event of
3080 Default, it shall be entitled to reasonable extra compensation
3081 therefor, and to reimbursement for reasonable and necessary
3082 Extraordinary Expenses in connection therewith and
3083 (ii) indemnify the Trustee and the Co-Trustee for, and to hold
3084 them harmless against, any loss, liability or expense incurred
3085 without negligence or bad faith on their part, arising out of
3086 or in connection with (a) the acceptance or administration of
3087 this trust, including liability which the Trustee or the
3088 Co-Trustee may incur as a result of failure to withhold, pay or
3089 report any tax, assessment or other governmental charge and the
3090 costs and expenses of defending itself against any claim or
3091 liability in connection with the exercise or performance of any
3092 of its powers or duties hereunder or Section 6.2 of the
3093 Agreement, or (b) any act or omission of the Bond Registrar or
3094 any Paying Agent (except to the extent that the Trustee is
3095 appointed and acting as Bond Registrar and Paying Agent
3096 hereunder). Upon the occurrence of an Event of Default, but
3097 only upon such occurrence, the Trustee and the Co-Trustee shall
3098 have a first lien on the Trust Estate with right of payment
3099 prior to payment of the principal of, and the interest on, any
3100 Bond for the foregoing advances, fees, costs and expenses
3101 incurred.

3102

3103 Section 1103. Notice to Bondholders If Default
3104 Occurs. If a Default occurs of which the Trustee is by
3105 subsection (e)(iv) of Section 1101 required to take notice or
3106 if notice of a Default be given as in said subsection (e)(iv)
3107 provided, then the Trustee shall give written notice thereof by
3108 mail to the holders of all Bonds then outstanding.

3109

3110 Section 1104. Intervention by Trustee. In any
3111 judicial proceeding to which the Issuer is a party which, in
3112 the opinion of the Trustee and its Counsel, has a substantial
3113 bearing on the interest of the bondholders, the Trustee may
3114 intervene on behalf of the bondholders and shall do so if
3115 requested in writing by the holders of at least twenty-five per
3116 centum (25%) in principal amount of the outstanding Bonds. The
3117 rights and obligations of the Trustee under this Section are
3118 subject to the approval of a court of competent jurisdiction if
3119 such approval is required by law as a condition to such
3120 intervention.

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3122 Section 1105. Successor Trustee. Any corporation or
3123 association into which the Trustee may be converted or merged,
3124 or with which it may be consolidated, or to which it may sell
3125 or transfer its trust business and assets as a whole or
3126 substantially as a whole, or any corporation or association
3127 resulting from any such conversion, merger, consolidation, sale
3128 or transfer to which it is a party, ipso facto, shall be and
3129 become successor Trustee hereunder and vested with all of the
3130 title to the Trust Estate and all the trusts, powers,
3131 discretions, immunities, privileges and all other matters as
3132 was its predecessor, without the execution or filing of any
3133 instruments or any further act, deed or conveyance on the part
3134 of any of the parties hereto, anything herein to the contrary
3135 notwithstanding.

3136
3137 Section 1106. Resignation by the Trustee. The
3138 Trustee and any successor Trustee may at any time resign from
3139 the trusts hereby created by giving written notice by mail to
3140 the Issuer and the Company and to each bondholder, and such
3141 resignation shall take effect upon the appointment of a
3142 successor Trustee by the bondholders or by the Issuer;
3143 provided, however, that if a successor Trustee shall not have
3144 been appointed within thirty (30) days from the date of such
3145 notice of resignation, the resigning Trustee may petition any
3146 court of competent jurisdiction for the appointment of a
3147 successor Trustee.

3148
3149 Section 1107. Removal of the Trustee. The Trustee
3150 may be removed at any time, by an instrument or concurrent
3151 instruments in writing delivered to the Trustee and to the
3152 Issuer, the Company, the Co-Trustee, the Paying Agent, any
3153 Co-Paying Agent, the Bond Registrar, any Co-Bond Registrar, the
3154 Remarketing Agent, the Rate Setting Agent and the Tender Agent
3155 and signed by the holders of a majority in principal amount of
3156 the outstanding Bonds or by their attorneys-in-fact duly
3157 authorized in writing.

3158
3159 Section 1108. Appointment of Successor Trustee by
3160 the Bondholders; Temporary Trustee. If the Trustee shall
3161 resign, be removed, be dissolved, be in course of dissolution
3162 or liquidation, or shall otherwise become incapable of acting
3163 hereunder or in case it shall be taken under the control of any
3164 public officer, officers or a receiver appointed by a court, a
3165 successor may be appointed by the holders of a majority in
3166 principal amount of the outstanding Bonds, by an instrument or
3167 concurrent instruments in writing signed by such holders, or by
3168 their attorneys-in-fact, duly authorized; provided,
3169 nevertheless, that in case of such vacancy the Issuer, by an
3170 instrument signed by any officer or member of the Issuer, may

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3171 appoint a temporary Trustee to fill such vacancy until a
3172 successor Trustee shall be appointed by the bondholders in the
3173 manner above provided; and any such temporary Trustee shall
3174 immediately and without further act be superseded by the
3175 Trustee so appointed by such bondholders. Every such Trustee
3176 appointed pursuant to the provisions of this Section shall be a
3177 trust company or bank (having trust powers) in good standing,
3178 shall be located within or outside the State and shall have, at
3179 the time of its appointment, an unimpaired capital and surplus
3180 of not less than TWENTY-FIVE MILLION DOLLARS (\$25,000,000), if
3181 there be such an institution willing, qualified and able to
3182 accept the trusts upon reasonable or customary terms.

3183

3184 Section 1109. Concerning Any Successor Trustee.

3185 Except for a successor Trustee under Section 1105, every
3186 successor Trustee appointed hereunder shall execute,
3187 acknowledge and deliver to its predecessor and also to the
3188 Issuer an instrument in writing accepting such appointment
3189 hereunder, and thereupon such successor, without any further
3190 act, deed or conveyance, shall become fully vested with all the
3191 estates, properties, rights, powers, trusts, duties and
3192 obligations of its predecessor; but such predecessor shall,
3193 nevertheless, on the written request of the Issuer, or of its
3194 successor, execute and deliver an instrument transferring to
3195 such successor Trustee all the estates, properties, rights,
3196 powers and trusts of such predecessor hereunder; and every
3197 predecessor Trustee shall deliver all securities and moneys
3198 held by it as Trustee hereunder to its successor. Should any
3199 instrument in writing from the Issuer be required by any
3200 successor Trustee in order to more fully and certainly vest in
3201 such successor the estates, properties, rights, powers and
3202 trusts hereby vested or intended to be vested in the
3203 predecessor, any and all such instruments in writing shall, on
3204 request, be executed, acknowledged and delivered by the Issuer.

3205

3206 Section 1110. Trustee Protected in Relying Upon
3207 Resolutions, etc. The resolutions, opinions, certificates and
3208 other instruments provided for herein may be accepted by the
3209 Trustee as conclusive evidence of the facts and conclusions
3210 stated therein and shall be full warrant, protection and
3211 authority to the Trustee for the release of property and the
3212 withdrawal of moneys hereunder.

3213

3214 Section 1111. Successor Trustee as Custodian of
3215 Funds. Upon a change of the office of Trustee, the predecessor
3216 Trustee which has resigned or has been removed shall cease to
3217 be the holder of the Bond Fund, the Project Fund and the Bond
3218 Purchase Fund, and the successor Trustee shall become such
3219 holder.

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3221 Section 1112. Duties of Co-Trustee. Summit Bank of
3222 Fort Wayne is hereby appointed Co-Trustee under this Indenture.
3223 It is the purpose hereof that there shall be no violation of
3224 any law of any jurisdiction (including particularly the laws of
3225 the State) denying or restricting the right of banking
3226 corporations or associations to transact business as trustee in
3227 such jurisdiction. In the event that the Trustee is unable
3228 under the laws of the State to carry out any of its duties and
3229 responsibilities as Trustee hereunder, including the
3230 enforcement of remedies hereunder upon the occurrence of an
3231 Event of Default, the Co-Trustee shall in such instance perform
3232 all duties and responsibilities of the Trustee hereunder
3233 designated in writing by the Trustee, and in carrying out such
3234 duties and responsibilities, the Co-Trustee shall be entitled
3235 to all rights and protection afforded to the Trustee hereunder
3236 with respect to such duties and responsibilities, and every
3237 agreement and obligation necessary to the exercise thereof by
3238 the Co-Trustee shall run to and be enforceable by the
3239 Co-Trustee.

3240
3241 Should any deed, conveyance or instrument in writing
3242 from the Issuer be required by the Co-Trustee in order to more
3243 fully and certainly vest in and confirm to him or it such
3244 properties, rights, powers, trusts, duties and obligations, any
3245 and all such deeds, conveyances and instruments shall, on
3246 request, be executed, acknowledged and delivered by the Issuer.
3247 In case the Co-Trustee, or its successor, shall die, become
3248 incapable of acting, resign or be removed, all the estates,
3249 properties, rights, powers, trusts, duties and obligations of
3250 the Co-Trustee, so far as permitted by law, shall vest in and
3251 be exercised by the Trustee until the appointment of a
3252 successor to the Co-Trustee.

3253
3254 The Co-Trustee may at any time resign and be
3255 discharged of the duties and obligations created by this
3256 Indenture by giving at least sixty (60) days notice to the
3257 Notice Parties. The Co-Trustee may be removed at any time, at
3258 the direction of the Company, by an instrument signed by the
3259 Company and filed with the Co-Trustee and with the other Notice
3260 Parties.

3261
3262 Any successor Co-Trustee shall be a banking
3263 association or corporation duly organized under the laws of the
3264 United States of America or the State, having its principal
3265 corporate trust office located in the State, and having, at the
3266 time of its appointment, a combined capital stock, surplus and
3267 undivided profits of at least FIFTEEN MILLION DOLLARS
3268 (\$15,000,000) and authorized by law to perform all of the
3269 duties imposed upon it by this Indenture.

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3271 Section 1113. Filing of Certain Continuation
3272 Statements. From time to time, the Trustee shall file or cause
3273 to be filed continuation statements for the purpose of
3274 continuing without lapse the effectiveness of (i) those
3275 Financing Statements which shall have been filed at or prior to
3276 the issuance of the Bonds in connection with the security for
3277 the Bonds pursuant to the authority of the U.C.C., and (ii) any
3278 previously filed continuation statements which shall have been
3279 filed as herein required. The Issuer shall sign and deliver to
3280 the Trustee or its designee such continuation statements as may
3281 be requested of it from time to time by the Trustee. The
3282 Company shall cause to be provided to the Trustee on the Date
3283 of Issuance of the Bonds hereunder with an opinion of Counsel
3284 satisfactory to the Trustee as to the period of effectiveness
3285 of the Financing Statements filed by the Issuer on such date
3286 and the Trustee shall be entitled to rely on such opinion in
3287 filing any continuation statements in accordance with this
3288 Section or, at the election of the Trustee, an opinion of
3289 Counsel obtained by the Trustee at the time of filing of any
3290 continuation statement hereunder, as to the effectiveness of
3291 such continuation statement in preserving the effectiveness
3292 without lapse of any previously filed Financing Statements or
3293 continuation statements. Upon the filing of any such
3294 continuation statement, the Trustee shall immediately notify
3295 the Issuer that the same has been accomplished.

3296
3297 Section 1114. Paying Agent; Co-Paying Agent. The
3298 Trustee is hereby designated Paying Agent for the Bonds, which
3299 designation the Trustee hereby accepts. The Company may, with
3300 notice to the Issuer and the Trustee, appoint one or more
3301 Co-Paying Agents for the Bonds, subject to the conditions set
3302 forth in Section 1115. Each Co-Paying Agent shall designate to
3303 the Trustee its Principal Office and signify its acceptance of
3304 the duties and obligations imposed upon it hereunder by a
3305 written instrument of acceptance delivered to the Issuer, the
3306 Company, the Trustee, the Co-Trustee, the Paying Agent, the
3307 Bond Registrar, any Co-Bond Registrar, the Remarketing Agent,
3308 the Rate Setting Agent and the Tender Agent under which each
3309 such Co-Paying Agent will agree, particularly:

3310
3311 (a) to hold all sums held by such Co-Paying Agent
3312 for the payment of the principal of, or the redemption
3313 premium (if any) or the interest on Bonds in trust for the
3314 benefit of the bondholders until such sums shall be paid
3315 to such bondholders or otherwise disposed of as herein
3316 provided;

3317
3318 (b) to keep such books and records as shall be
3319 consistent with customary industry practice, to make such

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books and records available for inspection by the Issuer, the Trustee and the Company at all reasonable times and, upon the request of the Paying Agent, to promptly furnish copies of such books and records to the Paying Agent; and

(c) upon the request of the Paying Agent, to forthwith deliver to the Trustee all sums so held in trust by such Co-Paying Agent.

The Issuer shall cooperate with the Trustee and the Company to cause the necessary arrangements to be made and to be thereafter continued whereby funds derived from the sources specified in Section 502 will be made available for payment when due of the Bonds as presented at the Principal Offices of the Paying Agent and any Co-Paying Agent.

Section 1115. Qualifications of Paying Agent and Co-Paying Agent; Resignation; Removal. The Paying Agent and each Co-Paying Agent shall be banking associations or corporations duly organized under the laws of the United States of America or any state or territory thereof, having, at the time of its appointment, having a combined capital stock, surplus and undivided profits of at least FIFTEEN MILLION DOLLARS (\$15,000,000) and authorized by law to perform all of the duties imposed upon it by this Indenture. The Paying Agent and any Co-Paying Agent may at any time resign or be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days notice to the Issuer, the Company, the Trustee, the Co-Trustee, the Bond Registrar, any Co-Bond Registrar, the Remarketing Agent, the Rate Setting Agent and the Tender Agent. The Paying Agent and any Co-Paying Agent may be removed at any time, at the direction of the Company, by an instrument signed by the Company and filed with the Paying Agent or such Co-Paying Agent, as the case may be, and with the Issuer, the Trustee, the Co-Trustee, the Bond Registrar, any Co-Bond Registrar, the Remarketing Agent, the Rate Setting Agent and the Tender Agent.

In the event of the resignation or removal of the Paying Agent or any Co-Paying Agent, the Paying Agent or such Co-Paying Agent, as the case may be, shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

Section 1116. Remarketing Agent. The Company has designated Morgan Stanley & Company Incorporated as Remarketing Agent. The Remarketing Agent shall designate to the Trustee its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written

3369 instrument of acceptance delivered to the Notice Parties under
3370 which the Remarketing Agent will agree particularly:

3371

3372 (a) to remarket Bonds tendered for purchase in
3373 accordance with Section 207;

3374

3375 (b) to give notice by telephone or telex, promptly
3376 confirmed in writing, to the Company, the Trustee and the
3377 Tender Agent, no later than 11:00 a.m. (New York City
3378 time) or 12:40 p.m. (New York City time), if the Bonds are
3379 in the Daily Rate Period, on each Purchase Date specifying
3380 (i) the aggregate principal amount of Bonds remarketed as
3381 of such date and (ii) the denomination or denominations of
3382 the Bonds to be delivered to the purchasers of the
3383 remarketed Bonds and (to the extent such information is
3384 available at such time, or as soon as possible thereafter)
3385 the names, addresses and Federal tax employer
3386 identification numbers of such purchasers;

3387

3388 (c) to instruct the purchasers of any Bonds
3389 remarketed by the Remarketing Agent to deliver to the
3390 Remarketing Agent, not later than 2:00 p.m. (New York City
3391 time) on the Purchase Date, in immediately available
3392 funds, the amount required to purchase such Bonds and to
3393 use its best efforts to cause such purchaser promptly to
3394 deliver such funds, and in the event that any purchaser
3395 fails to deliver such funds to the Remarketing Agent by
3396 2:00 p.m. (New York City time) on such day, to notify the
3397 Company, the Trustee and the Tender Agent by telephone or
3398 telex, promptly confirmed in writing, of such failure;

3399

3400 (d) to transfer the proceeds of sale of any Bonds
3401 sold by the Remarketing Agent pursuant to Section 207 by
3402 wire transfer in immediately available funds to the
3403 Trustee no later than 2:15 p.m. (New York City time) on
3404 the applicable Purchase Date, for application in
3405 accordance with Section 603 hereof;

3406

3407 (e) to deliver, or cause to be delivered, promptly
3408 any remarketed Bonds to the purchasers thereof on the
3409 Purchase Date; and

3410

3411 (f) to keep such books and records as shall be
3412 consistent with customary industry practice and to make
3413 such books and records available for inspection by the
3414 Issuer, the Company and the Trustee at all reasonable
3415 times.

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3417 The Issuer, the Trustee and the Company acknowledge that, in
3418 carrying out its responsibilities hereunder, the Remarketing
3419 Agent shall be acting solely for the benefit and as agent for
3420 of the holders from time to time of the Bonds.

3421
3422 Section 1117. Qualifications of Remarketing Agent;
3423 Resignation; Removal. The Remarketing Agent shall be a member
3424 of the National Association of Securities Dealers, having at
3425 the time of its appointment, a capitalization of at least
3426 FIFTEEN MILLION DOLLARS (\$15,000,000) and authorized by law to
3427 perform all the duties imposed upon it by this Indenture. The
3428 Remarketing Agent shall resign upon Fixed Rate Conversion and
3429 at any time prior to Fixed Rate Conversion may resign and be
3430 discharged of the duties and obligations created by this
3431 Indenture by giving at least sixty (60) days notice to the
3432 Notice Parties.

3433
3434 Section 1118. Bond Registrar; Co-Bond Registrar.
3435 The Trustee is hereby designated Bond Registrar for the Bonds,
3436 which designation the Trustee hereby accepts. The Company may,
3437 with notice to the Issuer and the Trustee, appoint a Co-Bond
3438 Registrar to perform one or more functions of the Bond
3439 Registrar under this Indenture. Any such Co-Bond Registrar
3440 shall designate to the Trustee its Principal Office and signify
3441 its acceptance of the duties imposed upon it hereunder by a
3442 written instrument of acceptance delivered to the Notice
3443 Parties under which such Co-Bond Registrar will agree,
3444 particularly, to keep such books and records as shall be
3445 consistent with customary industry practice and to make such
3446 books and records available for inspection by the Issuer, the
3447 Company and the Trustee at all reasonable times.

3448
3449 The Issuer shall cooperate with the Trustee and the
3450 Company to cause the necessary arrangements to be made and to
3451 be thereafter continued whereby Bonds, executed by the Issuer
3452 and authenticated by the Trustee, shall be made available for
3453 exchange and registration of transfer at the Principal Office
3454 of the Bond Registrar. The Issuer shall cooperate with the
3455 Trustee, the Bond Registrar and the Company to cause the
3456 necessary arrangements to be made and to be thereafter
3457 continued whereby the Paying Agent, any Co-Paying Agent, the
3458 Remarketing Agent and the Tender Agent shall be furnished such
3459 records and other information, at such times, as shall be
3460 required to enable the Paying Agent, any Co-Paying Agent, the
3461 Remarketing Agent and the Tender Agent to perform the duties
3462 and obligations imposed upon them hereunder.

3463
3464 Section 1119. Qualifications of Bond Registrar and
3465 Co-Bond Registrar; Resignation; Removal. The Bond Registrar

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3466 and each Co-Bond Registrar shall be a banking association or
3467 corporation organized under the laws of the United States of
3468 America or any state or territory thereof, having, at the time
3469 of its appointment, a combined capital stock, surplus and
3470 undivided profits of at least FIFTEEN MILLION DOLLARS
3471 (\$15,000,000) and authorized by law to perform all the duties
3472 imposed upon it by this Indenture. The Bond Registrar and the
3473 Co-Bond Registrar may at any time resign and be discharged of
3474 the duties and obligations created by this Indenture by giving
3475 at least sixty (60) days notice to the Notice Parties. The
3476 Bond Registrar and any Co-Bond Registrar may be removed at any
3477 time, at the direction of the Company, by an instrument signed
3478 by the Company and filed with the Bond Registrar or such
3479 Co-Bond Registrar, as the case may be, and with the other
3480 Notice Parties.

3481
3482 Section 1120. Rate-Setting Agent. The Issuer hereby
3483 appoints Morgan Stanley & Company Incorporated as Rate-Setting
3484 Agent. The Rate-Setting Agent shall designate to the Trustee
3485 its Principal Office and shall signify its acceptance of the
3486 duties and obligations imposed upon it hereunder by a written
3487 instrument of acceptance delivered to the Notice Parties under
3488 which the Rate-Setting Agent will agree, particularly:

3489 (a) to determine the Adjusted Rate, the Minimum Rate
3490 and the Fixed Rate in accordance with Article II of this
3491 Indenture. The Rate-Setting Agent shall give notice of
3492 the Adjusted Rate, Minimum Rate or the Fixed Rate by
3493 telephone to the Trustee, which the Trustee shall promptly
3494 confirm in writing to the Notice Parties, by the time
3495 specified in whichever of the following is applicable:
3496

3497 (1) 4:00 p.m. (New York City time) of the Rate
3498 Determination Date if the Bonds are in the Daily
3499 Interest Rate;

3500 (2) 12:00 noon (New York City time) of the Rate
3501 Determination Date if the Bonds are in the Monthly,
3502 Quarterly or Long Rate Period and the rate is an
3503 Adjusted Rate; or
3504

3505 (3) 5:00 p.m. (New York City time) of the Rate
3506 Determination Date if the Bonds are in a Weekly Rate
3507 Period or on the date of any determination of a
3508 Minimum Rate.
3509

3510 (b) to keep such books and records as shall be
3511 consistent with customary industry practice and to make
3512 such books and records available for inspection by the
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Issuer, the Company and the Trustee at all reasonable times.

Section 1121. Qualifications of Rate-Setting Agent; Resignation; Removal. The Rate-Setting Agent shall be (a)(i) a nationally recognized municipal securities evaluation service or (ii) a member of the National Association of Securities Dealers having, at the time of its appointment, a capitalization of at least FIFTEEN MILLION DOLLARS (\$15,000,000) and (b) shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Rate-Setting Agent shall resign on the Fixed Rate Conversion Date and at any time prior to Fixed Rate Conversion may resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' notice by mail to the Notice Parties. The Rate-Setting Agent may be removed at any time by an instrument signed by the Company, filed with the Rate-Setting Agent and with the other Notice Parties.

Section 1122. Appointment of Tender Agent. The Issuer hereby appoints the Trustee as Tender Agent. The Tender Agent shall designate to the Trustee its Principal Office and shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Company, the Trustee, the Co-Trustee, the Bond Registrar, any Co-Bond Registrar, the Paying Agent, any Co-Paying Agent and the Remarketing Agent, under which the Tender Agent will agree, particularly:

(a) to hold all Bonds delivered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective owners which have so delivered such Bonds, until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such owners;

(b) to hold all moneys (other than moneys delivered to it by the Company for the purchase of Bonds) delivered to it hereunder for the purchase of Bonds as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys, until the Bonds purchased with such moneys have been delivered to or for the account of such person or entity;

(c) to hold all moneys delivered to it hereunder by the Company for the purchase of Bonds as agent and bailee of, and in escrow for the benefit of, owners who shall deliver Bonds to it for purchase, until the Bonds purchased with such monies shall have been delivered to or

for the account of the Company; except that if the Bonds shall at any time become due and payable, the Tender Agent shall cause such moneys to be deposited with the Trustee for deposit in the Bond Fund, as applicable, on the date upon which the Bonds become due and payable; and

(d) to keep such books and records as shall be consistent with prudent industry practice, and make such books and records available for inspection by the other Notice Parties.

In performing its duties and obligations hereunder, the Tender Agent shall use the same degree of care and skill as a prudent person would exercise under the same circumstances in the conduct of his own affairs. The Tender Agent shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct, gross negligence or bad faith.

The Notice Parties shall each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein and in the Agreement will be made available for the purchase of Bonds presented at the Principal Office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties hereunder.

The Tender Agent and the Remarketing Agent shall cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Trustee of Replacement Bonds in connection with the tender and remarketing of Bonds hereunder.

The Issuer, the Trustee and the Company acknowledge that, in carrying out its responsibilities hereunder, the Tender Agent shall be acting solely for the benefit of and as agent for the holders from time to time of the Bonds. No delivery of Bonds to the Tender Agent or any agent of the Tender Agent or purchase of Bonds by the Tender Agent shall constitute a redemption of the Bonds or any extinguishment of the debt evidenced thereby.

Section 1123. Procedures for Tendering Bonds.

(A) Upon receipt by the Tender Agent of any Tender Notice and the Bonds delivered pursuant to it for purchase in accordance with Section 206 hereof, the Tender Agent shall deliver to the Person delivering the Tender Notice and the Bonds, at their request, written evidence of the Tender Agent's receipt of such documents and instruments.

3615 (B) The Tender Agent shall promptly return any
3616 Tender Notice (together with the Bonds submitted in connection
3617 therewith) that is incomplete or improperly completed or not
3618 delivered by the Tender Notice Date to the Person submitting
3619 the notice upon surrender of the receipt, if any, issued
3620 therefor.

3621
3622 (C) The Tender Agent's determination of whether a
3623 Tender Notice is properly completed or delivered on a timely
3624 basis shall be binding on the Issuer and the owner of the Bonds
3625 submitted therewith.

3626
3627 (D) The Tender Agent shall give notice by telephone
3628 to the Remarketing Agent of the receipt of Tender Notices,
3629 specifying the principal amount, the Purchase Dates with
3630 respect to such tendered Bonds and the number of such Bonds, if
3631 any, delivered to it for purchase pursuant to Section 206
3632 hereof and the funds, if any, necessary under Section 1124
3633 hereof for the purchase of Tendered Bonds. The Tender Agent
3634 will confirm in writing monthly to the Remarketing Agent all
3635 tenders of Bonds for the prior month. Except during the Daily
3636 Rate Period, if the Tender Agent has received a Tender Notice
3637 prior to 12:00 Noon (New York City time), the Tender Agent
3638 shall notify the Remarketing Agent thereof prior to 5:00 p.m.
3639 (New York City time) of the day of receipt, and if the Tender
3640 Agent shall have received such notice after 12:00 Noon (New
3641 York City time), the Tender Agent shall notify the Remarketing
3642 Agent thereof by telephone on or prior to 12:00 Noon (New York
3643 City time) of the next succeeding Business Day. During the
3644 Daily Rate Period, the Tender Agent shall notify the
3645 Remarketing Agent of receipt of a Tender Notice by telephone by
3646 11:00 a.m. (New York City time) of the day of receipt.

3647
3648 Section 1124. Sources of Funds for the Purchase of
3649 Tendered Bonds.

3650
3651 (A) On each Purchase Date the Tender Agent shall
3652 purchase, but only from the funds delivered to the Tender Agent
3653 by the Trustee pursuant to Section 603 hereof and in no event
3654 from its own funds, Bonds delivered to it for purchase in
3655 accordance with Section 1123 hereof at the Purchase Price
3656 thereof.

3657
3658 (B) The Tender Agent shall deliver the funds for the
3659 purchase of Bonds tendered pursuant to Section 206 hereof to
3660 the Person designated in the related Tender Notice to receive
3661 such payment, (i) if the Bonds are in a Daily, Weekly, Monthly
3662 or Quarterly Rate Period by wire transfer of immediately
3663 available funds, or (2) if the Bonds are in a Long Rate Period

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3664 by check mailed to such Person, to the account or at the
3665 address set forth in the Tender Notice.

3666

3667 Section 1125. Delivery of Purchased Bonds -
3668 Preparation and Delivery of Replacement Bonds.

3669

3670 (A) Bonds sold by the Remarketing Agent pursuant to
3671 Section 207 hereof shall be delivered by the Tender Agent to
3672 the purchaser thereof. The Tender Agent shall deliver
3673 Replacement Bonds to the purchaser thereof, registered in the
3674 name or otherwise at the direction of the purchaser, upon
3675 receipt of the proceeds of the sale of such Bonds pursuant to
3676 Section 603 hereof.

3677

3678 (B) If less than all of the principal amount of any
3679 Bonds shall have been delivered to the Tender Agent for
3680 purchase pursuant to Section 1123 hereof, the Tender Agent
3681 shall deliver or cause the delivery to the owner of such Bond,
3682 upon surrender thereof, a Replacement Bond for the balance not
3683 delivered for purchase.

3684

3685 (C) The Trustee, the Bond Registrar and the Tender
3686 Agent shall take all steps necessary in accordance with the
3687 Indenture to facilitate the timely preparation, execution,
3688 authentication and registration of Replacement Bonds for
3689 delivery pursuant to this Section by the Tender Agent to the
3690 purchasers thereof or the owners of Bonds tendered in part.

3691

3692 Section 1126. Qualification of Tender Agent;
3693 Resignation; Removal. The Tender Agent shall be a corporation
3694 duly organized under the laws of the United States of America
3695 or any state or territory thereof having, at the time of its
3696 appointment, a combined capital stock, surplus and undivided
3697 profits of at least FIFTEEN MILLION DOLLARS (\$15,000,000) and
3698 authorized by law to perform all of the duties imposed upon it
3699 by this Indenture. The Tender Agent shall resign on the Fixed
3700 Rate Conversion Date and at any time prior to the Fixed Rate
3701 Conversion Date may resign and be discharged of the duties and
3702 obligations created by this Indenture by giving at least sixty
3703 (60) days' notice by mail to the Notice Parties. The Tender
3704 Agent may be removed at any time by an instrument signed by the
3705 Company, filed with the Tender Agent and with the other Notice
3706 Parties.

3707

3708 Section 1127. Several Capacities. Anything in this
3709 Indenture to the contrary notwithstanding, the same entity may
3710 serve hereunder as the Trustee, the Paying Agent, the Bond
3711 Registrar, the Rate Setting Agent, the Tender Agent and the
3712 Remarketing Agent and in any other combination of such

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ARTICLE XII.

MEETINGS OF BONDHOLDERS

Section 1201. Purposes for Which Bondholders' Meetings May Be Called. A meeting of bondholders may be called at any time and from time to time for any of the following purposes:

(a) to give any notice to the Issuer, the Company or the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any Default or Event of Default hereunder and its consequences, or to take any other action authorized to be taken by bondholders pursuant to Section 1009;

(b) to remove the Trustee pursuant to Section 1107, to appoint a successor Trustee pursuant to Section 1108 and to appoint a Co-Trustee pursuant to Section 1112;

(c) to consent to the execution of a supplemental indenture pursuant to Section 1302, or to consent to the execution of an amendment, change or modification of the Agreement pursuant to Section 1402; or

(d) to take any other action authorized to be taken by or on behalf of the holders of any specified principal amount of the Bonds under any other provision hereof or under applicable law.

Section 1202. Place of Meetings of Bondholders. Meetings of bondholders may be held at such place or places as the Trustee or, in case of its failure to act, the bondholders calling the meeting shall from time to time determine.

Section 1203. Call and Notice of Bondholders' Meeting.

(a) The Trustee may at any time call a meeting of bondholders to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of bondholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be by first class mail postage prepaid, to the bondholders at the address shown on the registration books.

(b) In case at any time the holders of at least 10% in aggregate principal amount of the Bonds outstanding shall

3780 have requested the Trustee to call a meeting of the bondholders
3781 by written request setting forth in reasonable detail the
3782 action proposed to be taken at the meeting, and the Trustee
3783 shall not have given the notice of such meeting within twenty
3784 (20) days after receipt of such request, then such bondholders
3785 may determine the time and the place for such meeting and may
3786 call such meeting to take any action authorized in Section 1201
3787 by giving notice thereof as provided in subsection (a) of this
3788 Section.

3789

3790 Section 1204. Persons Entitled to Vote at
3791 Bondholders' Meetings. To be entitled to vote at any meeting
3792 of bondholders, a Person shall be a holder of one or more Bonds
3793 outstanding, or a Person appointed by an instrument in writing
3794 as proxy for a bondholder by such bondholder. The only Persons
3795 who shall be entitled to be present or to speak at any meeting
3796 of bondholders shall be the Persons entitled to vote at such
3797 meeting and their Counsel and any representatives of the
3798 Trustee and its Counsel and any representatives of the Company
3799 and its Counsel and any representatives of the Issuer and its
3800 Counsel.

3801

3802 Section 1205. Determination of Voting Rights;
3803 Conduct and Adjournment of Meetings.

3804

3805 (a) Notwithstanding any other provisions hereof, the
3806 Trustee may make such reasonable regulations as it may deem
3807 advisable for any meeting of bondholders in regard to proof of
3808 the holding of Bonds and of the appointment of proxies and in
3809 regard to the appointment and duties of inspectors of votes,
3810 the submission and examination of proxies, certificates and
3811 other evidence of the right to vote, and such other matters
3812 concerning the conduct of the meeting as it shall deem
3813 appropriate. Except as otherwise permitted or required by any
3814 such regulations, the holding of Bonds shall be proved in the
3815 manner specified in Section 1501 and the appointment of any
3816 proxy shall be proved in the manner specified in Section 1501
3817 or by having the signature of the Person executing the proxy
3818 witnessed or guaranteed by any bank, banker or trust company
3819 authorized by Section 1501 to certify to the holding of Bonds.
3820 Such regulations may provide that written instruments
3821 appointing proxies, regular on their face, may be presumed
3822 valid and genuine without the proof specified in Section 1501
3823 or other proof.

3824

3825 (b) The Trustee shall, by an instrument in writing,
3826 appoint a temporary chairman of the meeting, unless the meeting
3827 shall have been called by bondholders as provided in subsection
3828 (b) of Section 1203, in which case the bondholders calling the

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3829 meeting shall in like manner appoint a temporary chairman. A
3830 permanent chairman and a permanent secretary of the meeting
3831 shall be elected by vote of the holders of a majority of the
3832 Bonds represented at the meeting and entitled to vote.

3833

3834 (c) At any meeting each bondholder or proxy shall be
3835 entitled to one vote for each \$5,000 principal amount of Bonds
3836 outstanding held or represented by him; provided, however, that
3837 no vote shall be cast or counted at any meeting in respect of
3838 any Bond challenged as not outstanding and ruled by the
3839 chairman of the meeting to be not outstanding. The chairman of
3840 the meeting shall have no right to vote, except as a bondholder
3841 or proxy.

3842

3843 (d) At any meeting of bondholders, the presence of
3844 Persons holding or representing Bonds in an aggregate principal
3845 amount sufficient under the appropriate provision hereof to
3846 take action upon the business for the transaction of which such
3847 meeting was called shall constitute a quorum. Any meeting of
3848 bondholders called pursuant to Section 1203 may be adjourned
3849 from time to time by vote of the holders (or proxies for the
3850 holders) of a majority of the Bonds represented at the meeting
3851 and entitled to vote, whether or not a quorum shall be present;
3852 and the meeting may be held as so adjourned without further
3853 notice.

3854

3855 Section 1206. Counting Votes and Recording Action of
3856 Meetings. The vote upon any resolution submitted to any
3857 meeting of bondholders shall be by written ballots on which
3858 shall be subscribed the signatures of the bondholders or of
3859 their representatives by proxy and the number or numbers of the
3860 Bonds outstanding held or represented by them. The permanent
3861 chairman of the meeting shall appoint two inspectors of votes
3862 who shall count all votes cast at the meeting for or against
3863 any resolution and who shall make and file with the secretary
3864 of the meeting their verified written reports in duplicate of
3865 all votes cast at the meeting. A record, at least in
3866 triplicate, of the proceedings of each meeting of bondholders
3867 shall be prepared by the secretary of the meeting and there
3868 shall be attached to said record the original reports of the
3869 inspectors of votes on any vote by ballot taken thereat and
3870 affidavits by one or more persons having knowledge of the facts
3871 setting forth a copy of the notice of the meeting and showing
3872 that said notice was published or mailed as provided in Section
3873 1203. Each copy shall be signed and verified by the affidavits
3874 of the permanent chairman and secretary of the meeting and one
3875 such copy shall be delivered to the Issuer, another to the
3876 Company and another to the Trustee to be preserved by the
3877 Trustee, which copy shall have attached thereto the ballots

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3878 voted at the meeting. Any record so signed and verified shall
3879 be conclusive evidence of the matters therein stated.

3880

3881 Section 1207. Revocation by Bondholders. At any
3882 time prior to (but not after) the evidencing to the Trustee, in
3883 the manner provided in Section 1206, of the taking of any
3884 action by the holders of the percentage in aggregate principal
3885 amount of the Bonds specified herein in connection with such
3886 Section, any holder of a Bond the number of which is included
3887 in the Bonds the holders of which have consented to such action
3888 may, by filing written notice with the Trustee at its Principal
3889 Office and upon proof of holding as provided in Section 1501,
3890 revoke such consent so far as concerns such Bond. Except as
3891 aforesaid any such consent given by the holder of any Bond
3892 shall be conclusive and binding upon such holder and upon all
3893 future holders of such Bond and of any Bond issued in exchange
3894 therefor or in lieu thereof, irrespective of whether or not any
3895 notation in regard thereto is made upon such Bond. Any action
3896 taken by the holders of the percentage in principal amount of
3897 the Bonds specified herein in connection with such action shall
3898 be conclusively binding upon the Issuer, the Company, the
3899 Trustee and the holders of all the Bonds.

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ARTICLE XIII.

SUPPLEMENTAL INDENTURES

Section 1301. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of, or notice to, any of the bondholders, enter into an indenture or indentures supplemental hereto which shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes, provided that in the opinion of Counsel to the Trustee the change effected thereby is not to the prejudice of the interests of the Trustee or the bondholders:

(a) to cure any ambiguity or formal defect or omission herein;

(b) to grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the bondholders or the Trustee or either of them;

(c) to subject to the lien and pledge hereof additional payments, revenues, properties or collateral, including, but not limited to, the addition of a letter of credit, line of credit or other alternate liquidity facility;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add hereto or to any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar Federal statute; or

(e) to evidence the appointment of a separate Trustee or Co-Trustee or the succession of a new Trustee or Co-Trustee hereunder.

Section 1302. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 1301 and subject to the terms and provisions

3950 contained in this Section, and not otherwise, the holders of
3951 not less than two-thirds (2/3) in principal amount of the Bonds
3952 shall have the right, from time to time, anything contained
3953 herein to the contrary notwithstanding, to consent to and
3954 approve the execution by the Issuer and the Trustee of such
3955 other indenture or indentures supplemental hereto as shall be
3956 deemed necessary and desirable by the Issuer for the purpose of
3957 modifying, altering, amending, adding to or rescinding, in any
3958 particular, any of the terms or provisions contained herein or
3959 in any supplemental indenture; provided, however, that nothing
3960 in this Section contained shall permit, or be construed as
3961 permitting, (a) an extension of the maturity date on which the
3962 principal of or the interest on any Bond is, or is to become,
3963 due and payable, (b) a reduction in the principal amount of any
3964 Bond, the rate of interest thereon or any redemption premium,
3965 (c) a privilege or priority of any Bond or Bonds over any other
3966 Bond or Bonds, or (d) a reduction in the principal amount of
3967 the Bonds required for consent to such supplemental indenture.

3968
3969 If the Issuer shall request the Trustee to enter into
3970 any such supplemental indenture for any of the purposes of this
3971 Section, the Trustee shall, upon being satisfactorily
3972 indemnified with respect to expenses, cause written notice of
3973 the proposed execution of such supplemental indenture together
3974 with a copy of such proposed supplemental indenture to be given
3975 by first class mail, postage prepaid, to the holders of the
3976 Bonds at their addresses shown on the Trustee's books of
3977 registration. If, within sixty (60) days or such longer period
3978 as shall be prescribed by the Issuer following the mailing of
3979 such notice, the holders of not less than two-thirds (2/3) in
3980 principal amount of the Bonds shall have consented to and
3981 approved the execution of such supplemental indenture as herein
3982 provided, no holder of any Bond shall have any right to object
3983 to any of the terms and provisions contained therein, or the
3984 operation thereof, or in any manner to question the propriety
3985 of the execution thereof, or to enjoin or restrain the Trustee
3986 or the Issuer from executing the same or from taking any action
3987 pursuant to the provisions thereof. Upon the execution of any
3988 such supplemental indenture as in this Section permitted and
3989 provided, this Indenture shall be modified and amended in
3990 accordance therewith.

3991
3992 Anything herein to the contrary notwithstanding, a
3993 supplemental indenture under this Article XIII which affects
3994 any right of the Company under the Agreement shall not become
3995 effective unless and until the Company shall have consented to
3996 the execution and delivery of such supplemental indenture. In
3997 this regard, the Trustee shall cause notice of the proposed
3998 execution and delivery of any such supplemental indenture

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3999 together with a copy of the proposed supplemental indenture to
4000 be mailed by certified or registered mail to the Company at
4001 least fifteen (15) days prior to the proposed date of execution
4002 and delivery of any such supplemental indenture. The Company
4003 shall be deemed to have consented to the execution and delivery
4004 of such supplemental indenture if a Responsible Officer of the
4005 Trustee does not receive a letter of protest or objection
4006 thereto signed by or on behalf of the Company on or before 4:30
4007 o'clock P.M., prevailing Eastern time, of the fifteenth (15th)
4008 day after the mailing of said notice and a copy of the proposed
4009 supplemental indenture.

4010

4011 This Indenture may not be amended, changed or
4012 modified except by the execution and delivery of a supplemental
4013 indenture entered into in accordance with the provisions of
4014 this Article XIII.

4015

4016 Section 1303. Trustee Authorized to Join in
4017 Supplements; Reliance on Counsel. The Trustee is authorized to
4018 join with the Issuer in the execution and delivery of any
4019 supplemental indenture permitted by this Article XIII and, in
4020 so doing, shall be fully protected by an opinion of Counsel
4021 that such supplemental indenture is so permitted and has been
4022 duly authorized by the Issuer and that all things necessary to
4023 make it a valid and binding supplemental indenture have been
4024 done.

4025

4026 Section 1304. Discretion of Trustee in Entering into
4027 Supplements and Amendments. In each and every case provided
4028 for in this Article, the Trustee shall not be obligated to
4029 execute any proposed supplement or amendment, if the rights,
4030 obligations and interest of the Trustee would be thereby
4031 affected, and the Trustee shall not be under any responsibility
4032 or liability to the Issuer, the Company or to any bondholder or
4033 to anyone whomsoever for its refusal to enter into any such
4034 supplement or amendment if such supplement or amendment is
4035 deemed by it to be contrary to the provisions of this Article.

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ARTICLE XIV.

AMENDMENT OF AGREEMENT

Section 1401. Amendments, etc., to Agreement Not Requiring Consent of Bondholders. Upon receipt of the documents set forth in Section 405, the Trustee shall without the consent of, or notice to, the bondholders consent to any amendment, change or modification of the Agreement as may be required

- (a) by the provisions of the Agreement or hereby; or
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Agreement;

provided that in the opinion of Counsel to the Trustee the amendment, change or modification effected thereby is not to the prejudice of the interests of the Trustee or the bondholders.

Section 1402. Amendments, etc., to Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1401, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Agreement without the giving of notice and the written approval or consent of the holders of not less than two-thirds (2/3) in principal amount of the Bonds given and procured in accordance with the procedure set forth in Section 1302; provided, however, nothing contained in this Article shall permit, or be construed as permitting, any amendment, change or modification of the Company's unconditional obligation to make the payments required under the Agreement or the Company's agreements with respect to the use of Bond proceeds. If at any time the Issuer and the Company shall request the consent of the Trustee to any such proposed amendment, change or modification of the Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 1302 with respect to proposed supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by bondholders.

ARTICLE XV.

MISCELLANEOUS

Section 1501. Consents, etc., of Bondholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided to be given or taken by bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such bondholders in person or by his agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer and the Company. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose hereof and conclusive in favor of the Trustee, the Company and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The ownership of Bonds shall be proved by the registration books kept by the Bond Registrar.

(d) Any request, demand, authorization, direction, notice, consent, waiver, or other action by any bondholder shall bind every future holder of the same Bond in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1502. Issuer's Obligations Limited. No recourse under or upon any obligation or agreement contained in this Indenture or in any Bond or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Indenture, shall be had against the Issuer.

4147 Anything in this Indenture to the contrary
4148 notwithstanding, it is expressly understood and agreed by the
4149 parties hereto that (a) the Issuer may rely conclusively on the
4150 truth and accuracy of any certificate, opinion, notice or other
4151 instrument furnished to the Issuer by the Trustee or the
4152 Company as to the existence of any fact or state of affairs
4153 required hereunder to be noticed by the Issuer; (b) the Issuer
4154 shall not be under any obligation hereunder to perform any
4155 record-keeping or to provide any legal services, it being
4156 understood that such services shall be performed either by the
4157 Trustee or the Company; and (c) none of the provisions of this
4158 Indenture shall require the Issuer to expand or risk its own
4159 funds or to otherwise incur financial liability in the
4160 performance of any of its duties or in the exercise of any of
4161 its rights or powers hereunder, unless it shall first have been
4162 adequately indemnified to its satisfaction against the cost,
4163 expenses and liability which may be incurred thereby.

4164
4165 Notwithstanding anything herein contained to the
4166 contrary, any obligation which the Issuer may incur under this
4167 Indenture or under any instrument executed in connection
4168 herewith which shall entail the expenditure of money shall not
4169 be a general obligation of the Issuer but shall be a limited
4170 obligation payable solely from the Trust Estate.

4171
4172 Section 1503. Immunity of Officers and Employees of
4173 Issuer. No recourse shall be had for the enforcement of any
4174 obligation, promise or agreement of the Issuer contained in the
4175 Agreement, this Indenture or in any Bond issued hereunder for
4176 any claim based thereon or otherwise in respect thereof,
4177 against any officer or employee, as such, in his individual
4178 capacity, past, present or future, of the Issuer or of any
4179 successor, whether by virtue of any constitutional provision,
4180 statute or rule of law, or by the enforcement of any assignment
4181 or penalty or otherwise; it being expressly agreed and
4182 understood that the Bonds, the Agreement and this Indenture are
4183 solely corporate obligations, and that no personal liability
4184 whatsoever shall attach to, or be incurred by, any officer or
4185 employee as such, past, present or future, of the Issuer or of
4186 any successor, either directly or through the Issuer or any
4187 successor, under or by reason of any of the obligations,
4188 promises or agreements entered into between the Issuer and the
4189 Company whether contained in the Agreement or to be implied
4190 therefrom as being supplemental hereto or thereto, and that all
4191 personal liability of that character against every such officer
4192 and employee is, by the execution of the Agreement and this
4193 Indenture, and as a condition of, and as part of the
4194 consideration for, the execution of the Agreement and this
4195 Indenture, expressly waived and released.

26

27

28

4197 Section 1504. Limitation of Rights. With the
4198 exception of rights herein expressly conferred, nothing
4199 expressed or mentioned in or to be implied herefrom or from the
4200 Bonds is intended or shall be construed to give to any person
4201 other than the parties hereto, the Company and the holders of
4202 the Bonds, any legal or equitable right, remedy or claim under
4203 or in respect hereto or any agreements, conditions and
4204 provisions herein contained; this Indenture and all of the
4205 agreements, conditions and provisions hereof being intended to
4206 be and being for the sole and exclusive benefit of the parties
4207 hereto, the Company and the holders of the Bonds as herein
4208 provided.

4209
4210 Section 1505. Severability. If any provision hereof
4211 shall be held or deemed to be or shall, in fact, be inoperative
4212 or unenforceable as applied in any particular case in any
4213 jurisdiction or jurisdictions or in all jurisdictions or in all
4214 cases because it conflicts with any other provision or
4215 provisions hereof or any constitution or statute or rule of
4216 public policy, or for any other reason, such circumstances
4217 shall not have the effect of rendering the provision in
4218 question invalid, inoperative or unenforceable in any other
4219 case or circumstance, or of rendering any other provision or
4220 provisions herein contained invalid, inoperative, or
4221 unenforceable to any extent whatever.

4222
4223 Section 1506. Notices. It shall be sufficient
4224 service of any notice, approval, consent, request, complaint,
4225 demand or other communication if the same shall be delivered or
4226 mailed by first class registered or certified mail, return
4227 receipt requested, postage prepaid, and addressed, as follows:

4228
4231 If to Issuer: City of Fort Wayne, Indiana
4232 Attention: Fort Wayne Economic
4233 Development Commission
4234 One Main Street
4235 Fort Wayne, Indiana 46802

4236
4237 If to the Company: General Motors Corporation
4238 Attention: Treasurer
4239 767 Fifth Avenue
4240 New York, New York 10153

4241
4242 and: General Motors Corporation
4243 Attention: General Counsel
4244 3044 West Grand Boulevard
4245 Detroit, Michigan 48202

4246
26
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28

4282 IN WITNESS WHEREOF, the Issuer has caused this
4283 Indenture to be executed in its name and its seal to be affixed
4284 hereto and attested by its authorized officers, and to evidence
4285 its acceptance of the trusts hereby created the Trustee has
4286 caused these presents to be executed in its name and its seal
4287 to be affixed hereto and attested by its authorized officers,
4288 all as of the date first above written.

4289

4289

4292 [SEAL]

CITY OF FORT WAYNE, INDIANA

4293

4293

4293

4294

By: _____

4295

Title: _____

4296

4297 Attest:

4298

4298

4299 By: _____

Title: _____

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4302
4303
4304
4305 (SEAL)

THE FIRST NATIONAL
BANK OF CHICAGO,
as Trustee

4306
4306
4307
4308
4309

By: _____
Title

4310 Attest:

4311
4311

4312 By: _____
4313 Title

4314
4314

SUMMIT BANK OF FORT WAYNE,
as Co-Trustee

4315
4316

4317 (SEAL)

4318
4318

By: _____
Title:

4319
4320

4321
4322 Attest:

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4324 By: _____
4325 Title

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Exhibit A

Form of Adjusted Rate Bond

[FACE OF BOND]

No. R-

\$ _____

City of Fort Wayne, Indiana
Pollution Control Revenue Bonds
(General Motors Corporation Project)
Series 1985

Maturity Date:

Dated:

Registered Owner:

Principal Amount:

THE CITY OF FORTH WAYNE, INDIANA and its successors and assigns (the "Issuer"), a municipality and political subdivision of the State of Indiana, acknowledges itself indebted for value received and hereby promises to pay to the Registered Owner, or registered assigns, on the Maturity Date, the Principal Amount shown above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the principal office of The First National Bank of Chicago, as trustee and paying agent (herein called the "Trustee"), or any successor thereto, and to pay interest on such Principal Amount at the rates and on the dates as provided herein. Prior to conversion of the interest rate to a fixed interest rate (the "Fixed Rate Conversion"), the Bonds shall bear interest at a variable interest rate (the "Adjusted Rate"), and after Fixed Rate Conversion, the Bonds shall bear interest at the fixed interest rate (the "Fixed Rate") until the Issuer's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on the Bonds due on each Interest Payment Date is payable by check or draft of the Trustee mailed on such Interest Payment Date to the Registered Owner thereof as of the close of business on the Record Date relating to that Interest Payment Date. A Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds may submit to the Trustee not less than fifteen (15) days before an Interest Payment Date a written notice that interest on such Bonds be payable by wire transfer to such Registered Owner (which notice may provide that it will remain in effect until changed or revoked); provided, however, that, if the duration of any Interest Rate Period is less than 15 days, a Registered Owner of Bonds in an aggregate principal

82 amount of \$1,000,000 or more may submit such notice to the
83 Trustee by 11:00 a.m., New York City time, on the Business Day
84 immediately preceding the Interest Payment Date. The
85 principal, redemption premium, if any, and interest on this
86 Bond are payable in any coin or currency of the United States
87 of America which, at the date of payment is legal tender for
88 the payment of public and private debts; provided, however,
89 that interest on this Bond shall be paid by check, draft or
90 wire transfer as set forth above.

91
92 REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS
93 BOND SET FORTH ON THE REVERSE HEREOF WHICH SHALL FOR ALL
94 PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.
95

96 The Bonds are issued as registered Bonds without
97 coupons and in denominations of \$5,000 each or any integral
98 multiple thereof.
99

100 The Bonds and the interest and redemption premium, if
101 any, thereon shall never constitute a debt or general
102 obligation of the State of Indiana or the Issuer within the
103 meaning of any constitutional or statutory provision or
104 limitation and shall never constitute or give rise to a charge
105 against the general credit or taxing powers of the State of
106 Indiana or any agency thereof or the general funds or assets of
107 the Issuer, but shall be a special obligation of the Issuer
108 payable solely from the Trust Estate created pursuant to the
109 Trust Indenture dated as of November 1, 1985 (the "Indenture")
110 between the Issuer and the Trustee and Summit Bank of Fort
111 Wayne, as co-trustee (the "Co-Trustee"). The Trust Estate
112 includes a pledge of all loan repayments made to the Issuer
113 pursuant to a Loan Agreement dated as of November 1, 1985
114 between General Motors Corporation (the "Company") and the
115 Issuer (the "Loan Agreement"), and a pledge of the Loan
116 Agreement itself.
117

118
119 This Bond shall not be valid or become obligatory for
120 any other purpose or be entitled to any security or benefit
121 under the Indenture until the Certificate of Authentication
122 hereon shall have been signed by the Trustee.
123

124 Neither the members of the Issuer nor any person
125 executing this Bond shall be liable personally hereon or be
126 subject to any personal liability or accountability by reason
127 of the issuance hereof.
128
128
128
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28

129 IN WITNESS WHEREOF, the City of Fort Wayne, Indiana
130 caused this Bond to be executed in its facsimile of its
131 corporate seal to be imprinted hereon and attested by the
132 manual or facsimile signature of its City Clerk.

133

133

136

CITY OF FORT WAYNE, INDIANA

137

137

137

138 (SEAL)

By: _____
Mayor

139

140 ATTEST:

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143 _____
City Clerk

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CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Bonds described in the
within-mentioned Indenture.

THE FIRST NATIONAL
BANK OF CHICAGO,
as Trustee

Authorized Officer

166 The Bonds are issued pursuant to and in full
167 compliance with the Constitution and laws of the State of
168 Indiana, particularly Indiana Code, Section 36-7-12-1, et seq.,
169 and the acts amendatory thereof and supplemental thereto (the
170 "Act"), and pursuant to an ordinance of the Issuer adopted on
172 November 5, 1985. All terms defined in the Indenture and not
173 otherwise defined herein shall have the meaning given thereto
174 in the Indenture. Copies of the Indenture and the Loan
175 Agreement are on file at the principal corporate trust office
176 of the Trustee in Chicago, Illinois.

178
179 The Trust Estate does not include any interest in the
180 Project, but includes a security interest in the Loan
181 Agreement, the Pledged Revenues (as defined in the Loan
182 Agreement), and moneys in various funds created pursuant to the
183 Indenture and investments thereof and investment income
184 thereon, all of which (except those specifically described
184 herein) have been pledged and assigned by the Issuer to the
186 Trustee and the Co-Trustee. The Pledged Revenues are
187 established in amounts sufficient to pay principal, redemption
188 premium, if any, and interest on all Bonds issued under the
189 Indenture, as the same become due.

191
192 Reference is hereby made to the Indenture for a
193 description of the Trust Estate and to the Loan Agreement and
194 the Indenture for the provisions, among others, with respect to
195 the nature and extent of the Trust Estate, the rights, duties
196 and obligations of the Issuer, the Company, the Trustee, the
197 Co-Trustee and the bondholders and the terms upon which the
199 Bonds are issued and secured, to all of which provisions the
200 holder of this Bond, by acceptance hereof, consents and agrees.

202
203 Interest Rates on Bonds.

204
205 (A) The Bonds shall bear interest at the rates
206 determined as provided in the Indenture prior to Fixed Rate
207 Conversion. Upon Fixed Rate Conversion, the Bonds shall bear
208 interest as provided under "Conversion of Interest Rate on
209 Bonds" below. Interest on the Bonds shall be payable in
210 arrears on each Interest Payment Date. For any Interest Rate
211 Period which is shorter than a Long Rate Period, interest on
212 the Bonds shall be computed on the basis of a 365 or 366-day
213 year, as applicable, for the actual number of days elapsed.
214 For any Interest Rate Period that is a Long Rate Period or upon
215 Fixed Rate Conversion and thereafter, interest on the Bonds
216 shall be computed on the basis of a 360-day year of twelve
217 thirty-day months.

(B) For the period from and including the Date of this Bond through the initial Interest Rate Period, the Bonds shall bear interest at the rate of ____% per annum. Thereafter, during each Interest Rate Period prior to Fixed Rate Conversion, the Bonds shall bear interest at the Adjusted Rate determined as set forth below:

(1) During each Interest Rate Period, the Adjusted Rate shall be that interest rate which, in the determination of Morgan Stanley & Company Incorporated, or its successors or assigns (the "Rate-Setting Agent"), would result as nearly as practicable in the market value of the Bonds on the Rate Adjustment Date being 100% of the principal amount thereof. The Rate-Setting Agent shall determine the Adjusted Rate on the Rate Determination Date. The Adjusted Rate so determined shall become effective on the next succeeding Rate Adjustment Date.

(2) For any Quarterly Rate Period or Long Rate Period, the Rate-Setting Agent shall determine the Minimum Rate between the thirty-fifth (35th) and thirtieth (30th) days prior to the Period Adjustment Date and each Rate Adjustment Date in accordance with subparagraph (3) of this subparagraph (B) hereof and shall give notice to the Notice Parties of such Minimum Rate at least thirty (30) days prior to the Period Adjustment Date or such Rate Adjustment Date. The Trustee will give notice to the owners of the Bonds on or prior to the thirtieth (30th) day prior to the Period Adjustment Date and each Rate Adjustment Date for a Quarterly Rate Period or Long Rate Period stating (a) such Minimum Rate and the date of the determination thereof, (b) that the interest rate to be borne by all of the Bonds for such Interest Rate Period will be a rate not less than the Minimum Rate, (c) for any Long Rate Period, the last day on which an owner of a Bond may give (i) the Owner Election Notice required by the Indenture for Bonds to be retained by the owner, if the Long Rate Period beginning on the next succeeding Rate Adjustment Date is of a different length than the Interest Rate Period then ending, or (ii) the Tender Notice required by the Indenture for Bonds to be purchased by the Tender Agent on the first day of such Long Rate Period if the Long Rate Period beginning on the next succeeding Rate Adjustment Date is the same length as the Long Rate Period then ending, and (d) the method by which, after the Rate Determination Date, owners of the Bonds may ascertain the interest rate to be borne by the Bonds during such Interest Rate Period.

268 (3) The Rate-Setting Agent shall determine the
269 Adjusted Rate on each Rate Determination Date. In
270 determining the Adjusted Rate, the Rate-Setting Agent
271 shall take into account to the extent applicable (1)
272 market interest rates for comparable securities held by
273 tax-exempt open-end municipal bond funds or other
274 institutional or private investors with substantial
275 portfolios (a) with interest rate adjustment periods and
276 demand purchase options substantially identical to the
277 Bonds, (b) bearing interest at a variable rate intended to
278 maintain a value equal to 100% of the principal amount
279 thereof, and (c) rated by a national credit rating agency
280 in the same or a similar category as the Bonds; (2) other
281 financial market rates and indices which may have a
282 bearing on the Adjusted Rate (including but not limited to
283 rates borne by commercial paper, tax-exempt commercial
284 paper, HUD project notes, Treasury Bills, commercial bank
285 prime rates, certificate of deposit rates, federal funds
286 rates, the London Interbank Offered Rate, indices
287 maintained by The Bond Buyer, and other publicly available
288 tax-exempt interest rate indices); (3) general financial
289 market conditions (including current forward supply); and
290 (4) industry, economic or financial conditions which may
291 affect or be relevant to the Bonds. In addition, in
292 determining the Adjusted Rate, the Rate-Setting Agent
293 shall base such rate on marketing efforts with, or
294 solicitations of proposals from, not less than five
295 institutional or money fund investors or other entities or
296 individuals (other than the Rate-Setting Agent or the
297 Company) who customarily purchase tax-exempt securities
298 comparable to the Bonds. Whenever the Rate-Setting Agent
299 is required to establish a Minimum Rate pursuant to the
300 Indenture, the Rate-Setting Agent shall establish the
301 Minimum Rate by making a determination of the Adjusted
302 Rate as if such Adjusted Rate were being calculated on
303 such date. The Minimum Rate shall be no less than 80% of
304 the Adjusted Rate determined by the Rate-Setting Agent on
305 the date of such determination.

306
307 (4) The determination by the Rate-Setting Agent of
308 the Adjusted Rate and the Minimum Rate to be borne by the
309 Bonds shall be conclusive and binding on the owners of the
310 Bonds and the Notice Parties.

311
312 (5) If for any reason the position of Rate-Setting
313 Agent is vacant or the Rate-Setting Agent fails to act on
314 the Rate Determination Date, the Adjusted Rate shall be
315 determined by the Trustee in accordance with this
316 subparagraph (5). The Trustee shall calculate the

Adjusted Rate which rate shall be equal to 100%, 97%, 93%, 86%, 80% or 70% of the 11-Bond Index for the most recent period (as published in The Bond Buyer) if the length of such Interest Rate Period equals or exceeds fifteen, thirteen, ten, seven, five or two years, respectively. If the length of such Interest Rate Period is less than two years but greater than six (6) months, the Adjusted Rate for such Interest Rate Period shall be 65% of the 11-Bond Index. If the length of such Interest Rate Period is six (6) months or less, the Adjusted Rate for such Interest Rate Period shall be 115% of The Bond Buyer Tax-Exempt Prime Commercial Paper Rate (30 days) for the most recent period.

(6) Anything herein or in the Bonds to the contrary notwithstanding, no payment constituting interest on the Bonds shall be required to the extent that (i) it exceeds 15% per annum, or (ii) the receipt of such payment by the holder of any Bond would be contrary to the provisions of law applicable to such holder which limit the maximum rate of interest which may be charged or collected by such holder.

Conversion of Interest Rate on Bonds.

(A) At the option of the Issuer upon the direction of the Company, the rate of interest payable on the Bonds shall be permanently converted from an Adjusted Rate to a Fixed Rate. The Fixed Rate Conversion Date shall be any Rate Adjustment Date for which the applicable notices described in subparagraph (D) hereof have been given. In order to exercise its Fixed Rate Conversion option the Company shall deliver a notice to the Notice Parties directing such Fixed Rate Conversion. The notice shall specify the Fixed Rate Conversion Date, which shall be any Rate Adjustment Date not less than forty-five (48) days following the receipt by such Notice Parties of the Fixed Rate Conversion notice.

(B) No Fixed Rate shall be established unless, on or before thirty-five (38) days prior to the Fixed Rate Conversion Date, an opinion of Bond Counsel has been delivered to the Trustee to the effect that the Fixed Rate Conversion in accordance with the provisions of the Indenture (1) is lawful under the Act and is permitted thereby, and (2) will not cause the interest payable on the Bonds to become subject to Federal income taxation. Such opinion of Bond Counsel shall be confirmed by such Bond Counsel on the Fixed Rate Conversion Date. Unless and until the conditions for Fixed Rate Conversion set forth in the Indenture are satisfied, the Bonds

366 shall continue to bear interest at the Adjusted Rate as
367 provided in the Indenture.

368

369 (C) The Rate-Setting Agent shall, between
370 thirty-five (35) and thirty (30) days prior to the Fixed Rate
371 Conversion Date, establish a Minimum Rate by making a
372 determination of the Fixed Rate as if such Fixed Rate were
373 being calculated on such date pursuant to subparagraph (G)
374 below. The Minimum Rate shall be no less than 80% of the Fixed
375 Rate determined by the Rate- Setting Agent on such date.

376

377 (D) Unless the Company exercises its option not to
378 convert as described in subparagraph (E) below, the Trustee
379 shall mail a notice to each owner of the Bonds not less than
380 thirty (30) days prior to the Fixed Rate Conversion Date stated
381 in the notice from the Company stating:

382

383 (1) that the interest rate on the Bonds shall be
384 converted to a Fixed Rate unless Bond Counsel does not
385 deliver, on the Fixed Rate Conversion Date, the
386 confirmation of its opinion required by the Indenture;

387

388 (2) the Fixed Rate Conversion Date;

389

390 (3) the date the Fixed Rate shall be determined;

391

392 (4) the Minimum Rate at which the Fixed Rate may be
393 established;

394

395 (5) the Interest Payment Dates;

396

397 (6) that after Fixed Rate Conversion the owners of
398 the Bonds will no longer have the right to tender Bonds to
399 the Tender Agent for purchase, specifying the last times
400 and dates prior to the Fixed Rate Conversion Date on which
401 such Bonds must be delivered for purchase, and upon which
402 notice must be given; and

403

404 (7) that all Bonds will be purchased pursuant to the
405 Indenture on the Fixed Rate Conversion Date except Bonds
406 which the owners shall have directed the Tender Agent not
407 to so purchase as provided in Section 209 of the
408 Indenture.

409

410 (E) The Company shall have the option, to be
411 exercised prior to the thirtieth (30th) day prior to the Fixed
412 Rate Conversion Date, to elect not to convert the Bonds to a
413 Fixed Rate. The Company shall give any such notice to the
414 Notice Parties in writing. If the Company elects not to

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415 convert the Bonds to a Fixed Rate, the Bonds shall continue to
416 bear interest at the Adjusted Rate as provided in the
417 Indenture.

418

419 (F) Between the fifteenth (15th) day prior to the
420 Fixed Rate Conversion Date and the Fixed Rate Conversion Date
421 for which the foregoing notice described in subparagraph (D)
421 was given, the Trustee shall give notice to each owner of the
422 Bonds who has delivered an Owner Election Notice which shall
423 state the Fixed Rate.

425

426 (G) Upon the date stated in the Fixed Rate
427 Conversion notice for determination of the Fixed Rate, the
428 Rate-Setting Agent shall determine the Fixed Rate as that rate
429 which, in the determination of the Rate-Setting Agent, would
430 result as nearly as practicable in the market value of the
431 Bonds on the Fixed Rate Conversion Date being 100% of the
432 principal amount thereof. In determining the Fixed Rate, the
433 Rate-Setting Agent shall take into account to the extent
434 applicable (1) market interest rates for comparable securities
435 which are held by institutional and private investors with
436 substantial portfolios (a) with a term equal to the period to
437 maturity remaining on the Bonds, (b) the interest on which is
438 exempt from Federal income taxation, (c) rated, if the Bonds
439 are rated, by a national credit rating agency in the same or a
440 similar rating category as the Bonds, and (d) with redemption
441 provisions similar to those of the Bonds; (2) other financial
442 market rates and indices which have a bearing on the Fixed Rate
443 (including but not limited to rates borne by industrial
444 development bonds, pollution control revenue bonds, public
445 power bonds, housing bonds, other revenue bonds, general
446 obligation bonds, United States Treasury obligations,
447 commercial bank prime rates, certificate of deposit rates,
448 federal funds rates, indices maintained by The Bond Buyer and
449 other publicly available tax-exempt interest rate indices); (3)
450 general financial market conditions (including current forward
451 supply); and (4) industry, economic or financial conditions
452 which may affect or be relevant to the Bonds. In addition, in
453 determining the Fixed Rate, the Rate-Setting Agent shall base
454 such rate on marketing efforts with, or solicitations of
455 proposals from, not less than five institutional or money fund
456 investors or other entities or individuals (other than the
457 Rate-Setting Agent or the Company) who customarily purchase
458 tax-exempt securities comparable to the Bonds. Upon the date
459 stated in the Fixed Rate Conversion notice as the Fixed Rate
460 Conversion Date, the Fixed Rate shall be effective and shall be
461 equal to the rate so determined by the Rate-Setting Agent.

462

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463 (H) The determination of the Minimum Rate and the
464 Fixed Rate by the Rate-Setting Agent shall be conclusive and
465 binding on the owners of the Bonds and the other Notice
466 Parties.

467
468 (I) If for any reason the position of Rate-Setting
469 Agent is vacant or the Rate-Setting Agent fails to act by the
470 Fixed Rate Conversion Date, the Fixed Rate shall be determined
471 by the Trustee in accordance with this subparagraph (I) and
472 shall be equal to the interest rate computed by multiplying (x)
473 the 11-Bond Municipal Bond Index as reported in the most recent
474 issue of The Bond Buyer (or any successor publication thereto)
475 published prior to the date of computation by (y) the
476 percentage shown in the table below applicable as of the date
477 of computation of the Fixed Rate:

478	Computation Dates	Applicable
481	<u>inclusive</u>	<u>Percentage</u>
483		
484	Date of delivery through	105%
485	October 31, 1987	
486	November 1, 1987 through	103%
487	October 31, 1990	
488	November 1, 1990 through	97%
489	October 31, 1993	
490	November 1, 1993 through	93%
491	October 31, 1996	
492	November 1, 1996 through	86%
493	October 31, 1999	
494	November 1, 1999 through	80%
495	October 31, 2002	
496	November 1, 2002 and	
497	thereafter	70%
498		
498		

501 (J) Upon any Fixed Rate Conversion, the Bonds shall
502 be subject to mandatory tender for purchase in accordance with
503 "Mandatory Tender for Purchase" below, and the owners shall be
504 notified of the Fixed Rate Conversion as provided herein and
505 shall have the right to continue to own Bonds subject to such
506 tender for purchase as provided in "Owner's Right to Retain
507 Bonds Upon Mandatory Tender Date" below.

508
509 Interest Rate Period.

510
511 (A) The Interest Rate Period from the date of the
512 first authentication and delivery of the Bonds until further
513 designation by the Company will be a Long Rate Period
514 consisting of three years ending on November 1, 1988.

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515 Thereafter, unless Fixed Rate Conversion has occurred, from
516 time to time, the Company may designate an alternate Interest
517 Rate Period. Except as may otherwise be provided herein, the
518 Company shall evidence each such designation by giving written
519 notice to the Trustee in accordance with the Indenture. In
520 addition, with respect to all designations of a new Interest
521 Rate Period (except from one Short Rate Period to another Short
522 Rate Period), the Company shall deliver on or before the notice
523 described above an opinion of Bond Counsel to the effect that
524 the designation of the new Interest Rate Period (1) is lawful
525 under the Act and is permitted by the Indenture, and (2) will
526 not cause the interest payable on the Bonds to become subject
527 to Federal income taxation. No such designation of an
528 alternate Interest Rate Period shall be effective unless such
529 opinion is received. If, at the end of any Interest Rate
530 Period, the Company does not designate an alternate Interest
531 Rate Period as described herein, the next succeeding Interest
532 Rate Period shall be of the same length as the Interest Rate
533 Period then ending; provided, however, no Interest Rate Period
534 shall extend beyond the final maturity date of the Bonds.

535
536 (B) Upon receipt of such notice from the Company,
537 the Trustee shall notify each owner in accordance with the
538 Indenture of the new Interest Rate Period designated and of the
539 Interest Payment Dates, Rate Determination Date, Rate
540 Adjustment Date, Tender Notice, Purchase Date and the Owner
541 Election Notice provisions for such Interest Rate Period. In
542 addition, prior to the Period Adjustment Date of (i) any Long
543 Rate Period or (ii) any Daily, Weekly, Monthly or Quarterly
544 Rate Period immediately following a Long Rate Period, the
545 Trustee shall give the notice required under "Mandatory Tender
546 for Purchase" below. Failure by the Trustee to give such
547 notice by mail, or any defect therein, shall not extend the
548 period for making elections or in any way change the rights of
549 the owners of the Bonds to elect to have their Bonds purchased
550 on any Purchase Date.

551
552 (C) For each Interest Rate Period, the Interest
553 Payment Date, the Rate Determination Date, the Rate Adjustment
554 Date, the Notice of Adjusted Rate, the Tender Notice, the
555 Purchase Date, the Notice of Period Adjustment Date and the
556 Owner Election Notice provisions shall be determined in
557 accordance with the provisions of the Indenture.

558
559 (D) Interest shall accrue at the Adjusted Rate
560 during each Interest Rate Period from and including the first
561 day of such Interest Rate Period to and including the last day
562 of such Interest Rate Period as described below:

563
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566		<u>First Day</u>	<u>Last Day</u>
567			
568	(i) Short Rate Periods	First Business	Day immediately
569		Day of each month	preceding the
570			first Business
571			Day of the next
572			month *
573			
574	(ii) Quarterly Rate	First Business	Day immediately
575	Period	Day of the	preceding the
576		month	first Business
577			Day of the next
578			Interest Rate
579			Period *
580			
581	(iii) Long Rate	First calendar	Last calendar day
582	Period	day of the first	of the last month
583		month of such	of such Long Rate
584		Long Rate Period	Period
585			
585			
588	*Provided, if the next Interest Rate Period is a Long Rate		
589	Period, interest shall accrue through the last day of the month		
590	at the applicable Short Rate or Quarterly Rate, and thereafter		
591	to but excluding the first Business Day of the next month at		
592	the applicable Long Rate.		

594
595 Purchase of Bonds.

596
597 (A) During any Daily, Weekly, Monthly, Quarterly or
598 Long Rate Period, any Bond shall be purchased by the Tender
599 Agent in accordance with the Indenture on any Purchase Date at
600 the Purchase Price thereof upon the demand of the owner. As a
601 condition precedent to the purchase of Bonds on any Purchase
602 Date, the owner must deliver to the Tender Agent (i) a Tender
603 Notice not later than the time specified in the Indenture
604 which, in the case of a tender during a Weekly Rate Period or
605 Monthly Rate Period, specifies the proposed Purchase Date which
606 must be at least the seventh day (which day must be a Business
607 day) following receipt of the Tender Notice and (ii) the Bonds,
608 together with an appropriate instrument of transfer or a blank
609 bond power, not later than 12:00 Noon (New York City time) on
610 the Purchase Date during any period other than a Quarterly Rate
611 Period or a Long rate Period and not later than 3 P.M. (New
612 York City Time fifteen (15) days prior to the Purchase Date
614 during any Quarterly or Long Rate Period. Owners delivering
615 Bonds to the Tender Agent on the Purchase Date after 12:00 Noon
616 (New York City time) during a Daily, Weekly or Monthly Rate
617 Period shall not be entitled to receive payment from the Tender
618 Agent until the Business Day following the Purchase Date.

621 Provided the Tender Notice is delivered by the times
622 and in the manner specified herein, tendered Bonds shall be
623 purchased by the Tender Agent on the Purchase Date which shall
624 be, (i) in the case of a tender during a Daily Rate Period, on
625 the day of receipt of the Tender Notice, (ii) in the case of a
626 tender during a Weekly or Monthly Rate Period, on the seventh
627 day (which day must be a Business Day) following receipt of the
628 Tender Notice, and (iii) in the case of a tender during a
629 Quarterly or Long Rate Period, the final Interest Payment Date
630 of such period.

631
632 (B) Any Tender Notice received by the Tender Agent
633 shall be effective upon receipt and shall be irrevocable.

634
635 (C) It is the express intention of the Issuer and
636 Trustee that any purchase, sale or transfer of Bond, shall not
637 constitute or be construed to be the extinguishment of any
638 Bonds or the indebtedness represented thereby or the reissuance
639 of any Bonds.

640
641 (D) Any owner which identifies itself as an
642 Investment Company, in lieu of giving a Tender Notice to the
643 Tender Agent as described above, may elect to deliver such
644 Notice to the Trustee. In addition, in order to receive
645 payment of the Purchase Price of tendered Bonds on the Purchase
646 Date, an Investment Company may, in lieu of delivering Bonds to
647 the Tender Agent, deliver such Bonds to the Trustee.

648
649 (E) With respect to any Long Rate Period, an
650 Investment Company may deliver its Bonds for purchase to the
651 Tender Agent on the Purchase Date if it irrevocably notifies
652 the Tender Agent during the period commencing thirty (30) days
653 prior to such Purchase Date and ending fifteen (15) days prior
654 to such Purchase Date that it will deliver such Bonds on such
655 Purchase Date. Any such Tender Notice delivered in accordance
656 with the foregoing sentence shall be irrevocable with respect
657 to the purchase for which such Tender Notice was delivered and
658 such purchase shall occur on the Purchase Date.

659
660 Mandatory Tender for Purchase.

661
662 (A) The Bonds shall be subject to mandatory tender
663 for purchase prior to maturity (1) on the Period Adjustment
664 Date of (i) any Long Rate Period or (ii) any Daily, Weekly,
665 Monthly or Quarterly Rate Period immediately following a Long
666 Rate Period and (2) on the Fixed date Conversion Date (each a
667 "Mandatory Tender Date") at a purchase price equal to 100% of
668 the principal amount thereof plus accrued interest to the date
669 of purchase; except that there shall not be so purchased, (a)

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670 Bonds as to which the owner has timely submitted an Owner
671 Election Notice, (b) Bonds issued in exchange for or upon the
672 registration of transfer of Bonds referred to in clause (a)
673 above, and (c) portions of principal amount of Bonds in
674 authorized denominations or integral multiples thereof referred
675 to in clauses (a) and (b) above.

676

677 (B) The Trustee shall, upon Fixed Rate Conversion,
678 give notice to each owner that his Bond is subject to mandatory
679 tender for purchase pursuant to the Indenture.

680

681 (C) In connection with any mandatory tender for
682 purchase of Bonds upon a Period Adjustment Date the Trustee
683 shall not less than thirty (30) days prior to such Period
684 Adjustment Date mail a notice of mandatory tender for purchase
685 to each owner which in substance shall state the following:

686

687 (1) the Period Adjustment Date (which date shall be
688 the Mandatory Tender Date) as set forth in the Indenture;

689

690 (2) if applicable, the Minimum Rate at which the
691 Long Rate may be established;

692

693 (3) the date on which the Rate-Setting Agent will
694 determine the actual Adjusted Rate as set forth in the
695 Indenture; and

696

697 (4) that all owners of Bonds who have not given an
698 Owner Election Notice shall be deemed to have tendered
699 their Bonds for purchase on the Mandatory Tender Date.

700

701 Owner's Right to Retain Bonds Upon Mandatory Tender
702 Date.

703

704 (A) Any owner of Bonds who decides to continue to
705 own his Bonds after the Mandatory Tender Date, must deliver to
706 the Tender Agent, at its principal office (as identified in the
707 notice of purchase) between thirty (30) days and fifteen (15)
708 days prior to such Mandatory Tender Date, an Owner Election
709 Notice stating in substance the following:

710

711 (1) that the owner acknowledges the matters set
712 forth in the notice of purchase delivered pursuant to the
713 Indenture;

714

715 (2) that the owner has decided to continue to own
716 his Bonds or portions thereof so called for purchase after
717 the Mandatory Tender Date, and identifying such Bonds or
718 portions thereof by series, number and denomination;

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720 (3) that the Tender Agent is directed not to
721 purchase such Bonds or portions thereof; and
722

723 (4) that such instrument delivered by the owner is
724 binding on subsequent owners of such Bonds (or the
725 applicable portion thereof).
726

727 (B) Owners of Bonds not providing the Tender Agent
728 with the instrument described above shall be required to
729 tender their Bonds for purchase on the Mandatory Tender Date at
730 the Purchase Price. Any Undelivered Bonds on such Mandatory
731 Tender Date for which there has been irrevocably deposited in
732 trust with the Trustee amounts sufficient to pay the Purchase
733 Price of the Undelivered Bonds, shall be deemed to have been
734 tendered in accordance with the provisions of the Indenture.
735 In the event of a failure by an owner (other than an owner who
736 has delivered the Owner Election Notice) to tender his Bonds on
737 or prior to such Mandatory Tender Date, such owner shall not be
738 entitled to any payment (including any interest accrued
739 subsequent to such Mandatory Tender Date) other than the
740 Purchase Price for such Undelivered Bonds, and any Undelivered
741 Bonds shall no longer be entitled to the benefits of the
742 Indenture, except for the purpose of payment of the Purchase
743 Price therefor and interest thereon to such Mandatory Tender
744 Date.
745

746 Mutilated, Lost, Stolen or Destroyed Bonds. If any
747 Bond is mutilated, lost, stolen or destroyed, the Issuer may
748 execute and the Trustee (upon the receipt of a written
749 authorization from the Issuer) may authenticate and deliver a
750 new Bond in the appropriate form and in the same aggregate
751 principal amount and tenor in lieu of and in substitution for
752 the Bond mutilated, lost, stolen or destroyed; provided that,
753 in the case of any mutilated Bond, such mutilated Bond shall
754 first be surrendered to the Trustee, as Bond Registrar, and in
755 the case of any lost, stolen or destroyed Bond, there shall be
756 first furnished to the Trustee evidence satisfactory to it of
757 the ownership of such Bond and of such loss, theft or
758 destruction, together with indemnity satisfactory to it. If
759 any such Bond shall have matured or a redemption date
760 pertaining thereto shall have passed, instead of issuing a new
761 Bond the Issuer may pay the same without surrender thereof.
762 The Issuer and the Trustee may charge the holder of such Bond
763 with their reasonable fees and expenses in this connection.
764

765 Exchangeability and Transfer of Bonds; Persons
766 Treated as Owners. The Issuer shall cause books for the
767 registration and for the transfer of the Bonds as provided
768 herein to be kept by the Bond Registrar.
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770 Bonds (other than Undelivered Bonds) may be
771 transferred on the books of registration kept by the Trustee,
772 as Bond Registrar, by the holder in person or by his duly
773 authorized attorney, upon surrender thereof, together with a
774 written instrument of transfer executed by the holder or his
775 duly authorized attorney. Upon surrender for registration of
776 transfer of any Bond at the Principal Office of the Trustee,
777 the Issuer shall execute and the Trustee shall authenticate and
778 deliver in the name of the transferee or transferees a new Bond
779 or Bonds of the same interest rate, aggregate principal amount
780 and tenor and of any authorized denomination or denominations
781 and bearing numbers not contemporaneously outstanding.

782
783 Bonds (other than Undelivered Bonds) may be exchanged
784 at the Principal Office of the Trustee for an equal aggregate
785 principal amount of Bonds in the appropriate form and in the
786 same aggregate principal amount and tenor and of any authorized
787 denomination or denominations. The Issuer shall execute and
788 the Trustee shall authenticate and deliver Bonds which the
789 bondholder making the exchange is entitled to receive.

790
791 Such registration of transfer or exchanges of Bonds
792 shall be without charge to the holders of such Bonds, but any
793 taxes or other governmental charges required to be paid with
794 respect to the same shall be paid by the holder of the Bond
795 requesting such transfer or exchange as a condition precedent
796 to the exercise of such privilege.

797
798 The Trustee shall not be required to register for
799 transfer or exchange any Undelivered Bond or any Bond (i) with
800 respect to which the Trustee shall have received a Tender
801 Notice, (ii) after the giving of notice calling such Bond for
802 redemption or partial redemption has been made, or (iii) after
803 the Company has given a Notice of a Period Adjustment Date or a
804 notice of Fixed Rate Conversion pursuant to the Indenture.

805
806 The person in whose name any Bond shall be registered
807 shall be deemed and regarded as the absolute owner thereof for
808 all purposes, and payment of or on account of either principal
809 or interest shall be made only to or upon the order of the
810 registered owner thereof or his duly authorized attorney, but
811 such registration may be changed as hereinabove provided. All
812 such payments shall be valid and effectual to satisfy and
813 discharge the liability upon such Bond to the extent of the sum
814 or sums so paid.

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816 OPTIONAL REDEMPTION

817

818 (a) During any Daily, Weekly, Monthly or Quarterly
819 Interest Rate Period, the Bonds are subject to redemption by
820 the Issuer at the option of the Company, in whole or in part,
821 on any Interest Payment Date at a redemption price of 100% of
822 the principal amount of the Bonds to be redeemed plus accrued
823 interest thereon to the redemption date.

824

825 (b) During a Long Rate Period or after Fixed Rate
826 Conversion, the Bonds are subject to redemption, by the Issuer
827 at the option of the Company, in whole at any time or in part
828 on any Interest Payment Date, during the periods and at the
829 respective redemption prices (expressed as a percentage of
830 principal amount) set forth below, plus accrued interest
831 thereon to the redemption date:

832

834 OPTIONAL REDEMPTION DURING LONG RATE PERIOD

835

838	Redemption Prices	
839	as a percentage of	
840	principal amount	
841	(measured from and	
842 Length of Interest	including first day	
843 Rate Period	of such remaining	Call
844 <u>Expressed in Years</u>	<u>period)</u>	<u>Protection</u>
845		
846 greater than 13	after 8 years at 102%	8 years
847	declining 1/2% per	
848	12 months to 100%	
849		
850 less than or equal	after 5 years at 102%	5 years
851 to 13 and greater	declining 1/2% per	
852 than 10	12 months to 100%	
853		
854 less than or equal	after 3 years at	3 years
855 to 10 and greater	101-1/2% declining	
856 than 7	1/2% per 12 months to	
857	100%	
858		
859 less than or equal	after 3 years at	3 years
860 to 7 and greater	101% declining	
861 than 4	1/2% per 12 months to	
862	100%	
863		
864 less than or equal	after 2 years	2 years
865 to 4 and greater	at 101% declining	
866 than 2	1/2% per 6 months	
867	to 100%	

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883	OPTIONAL REDEMPTION AFTER FIXED RATE CONVERSION		
884			
887		Redemption Prices	
888		as a percentage of	
889		principal amount	
890		(measured from and	
891	Length of Interest	including first day	
892	Rate Period	of such remaining	Call
893	<u>Expressed in Years*</u>	<u>period)**</u>	<u>Protection***</u>

894			
895	greater than 13	after 8 years at 102%	8 years
896		declining 1% per	
897		12 months to 100%	
898			
899	less than or equal	after 5 years at 102%	5 years
900	to 13 and greater	declining 1% per	
901	than 10	12 months to 100%	
902			
903	less than or equal	after 3 years at	3 years
904	to 10 and greater	101-1/2% declining	
905	than 7	1/2% per 12 months to	
906		100%	
907			
908	less than or equal	after 3 years at	3 years
909	to 7 and greater	101% declining	
910	than 4	1/2% per 12 months to	
911		100%	
912			
913	less than or equal	after 2 years at	2 years
914	to 4	101% declining	
915		1/2% per 6 months	
916		to 100%	
917			
917			
918			

921

922 * Length of period from the Interest Payment Date
923 immediately succeeding the Fixed Rate Conversion Date to
924 the Redemption Date.

925

926 ** Measured from Interest Payment Date immediately succeeding
927 the Fixed Rate Conversion Date.

928

929 *** Length of time (measured from the Interest Payment Date
930 immediately succeeding the Fixed Rate Conversion Date)
931 before Bonds may be called.

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934 EXTRAORDINARY OPTIONAL REDEMPTION

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936
937 The Bonds shall be redeemed by the Issuer on any
938 Interest Payment Date as a whole, at 100% of the principal
939 amount thereof plus accrued interest to the redemption date at
940 the option of the Company in the event that:
941

942
943 (a) the Project or the Plant shall have been damaged
944 or destroyed to such an extent that, in the judgment of
945 the Company, (i) it cannot be reasonably restored within a
946 period of three (3) consecutive months to the condition
947 thereof immediately preceding such damage or destruction,
948 (ii) the Company is thereby prevented from carrying on its
949 normal operations at the Plant for a period of three (3)
950 consecutive months, or (iii) it would not be economically
951 feasible for the Company to replace, repair, rebuild or
952 restore the same;
953

954 (b) title in and to, or the temporary use of, all or
955 substantially all of the Project or the Plant shall have
956 been taken under the exercise of the power of eminent
957 domain by any governmental authority, or person acting
958 under governmental authority (including such a taking as,
959 in the judgment of the Company, results in the Company
960 being prevented thereby from carrying on its normal
961 operations at the Plant for a period of three (3)
962 consecutive months);
963

964 (c) as a result of any changes in the Constitution
965 of the State or the Constitution of the United States of
966 America or by legislative or administrative action
967 (whether State or Federal) or by final decree, judgment,
968 decision or order of any court or administrative body
969 (whether State or Federal), the Loan Agreement shall have
970 become void or unenforceable or impossible of performance
971 in accordance with the intent and purposes of the parties
972 as expressed therein;
973

974 (d) unreasonable burdens or excessive liabilities
975 shall have been imposed on the Company with respect to the
976 operation of the Plant, including, without limitation,
977 Federal, State or other ad valorem, property, income or
978 other taxes not being imposed on the date hereof which, in
979 the judgment of the Company, render the continued
980 operation of the Plant uneconomic;
981

982 (e) changes which the Company cannot reasonable
983 control or overcome in the economic availability of
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materials, supplies, labor, equipment and other properties and things necessary for the efficient operation of the Plant for the purposes contemplated by the Loan Agreement shall have occurred or technological changes which the Company cannot reasonably overcome shall have occurred which, in the judgment of the Company, render the continued operation of the Plant uneconomic;

(f) legal curtailment of the Company's use and occupancy of all or substantially all of the Plant for any reason other than that set forth in subsection (b), which curtailment shall, in the judgment of the Company, prevent the Company from carrying on its normal operations at the Plant for a period of three (3) consecutive months; or

(g) the Loan Agreement is terminated prior to its expiration for any reason other than the occurrence of an Event of Default.

SPECIAL MANDATORY REDEMPTION

The Bonds are subject to special mandatory redemption in whole on any date within 180 days after receipt by the Trustee of notice of (a) the issuance of a public or private ruling of the Internal Revenue Service in which the Company has participated to the degree it deems sufficient and which ruling the Company, in its discretion, does not contest by any appropriate proceeding directly or through a holder of any Bonds, or (b) a final determination by any court of competent jurisdiction in the United States in a proceeding to which the Company is a party, in either case to the effect that, as a result of a failure by the Company to observe any covenant, agreement, representation or warranty in the Loan Agreement, the interest payable on the Bonds is includable in the gross income for Federal income tax purposes of the holders thereof (other than a person who is a "substantial user of the Project financed with the proceeds of the Bonds or a related person within the meaning of Section 103(b) of the Internal Revenue Code of 1954, as amended, and the regulations and proposed regulations thereunder). Upon the occurrence of any event described in this paragraph, the Bonds shall be redeemed in whole unless, in the opinion of Bond Counsel mutually acceptable to the Issuer, the Trustee and the Company, the redemption of a portion of such Bonds would have the result that interest payable on the Bonds remaining outstanding after such redemption would not be includable in the gross income for Federal income tax purposes of any holder of any such Bonds (other than a holder who is a "substantial user" of the

1032 Projects or a related person" as described above). Any such
1033 partial redemption shall be by lot in such amount as is
1034 necessary to accomplish such result. The Bonds so redeemed
1035 will be redeemed at a redemption price equal to 100% of the
1036 principal amount thereof plus unpaid interest accrued to the
1037 redemption date.

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1038

1039 EXCESS PROCEEDS REDEMPTION

1040

1041 The Bonds are subject to redemption by the Issuer, at
1042 the option of the Company, in whole or in part on any Interest
1043 Payment Date, at a redemption price equal to 100% of the
1044 principal amount thereof plus accrued interest thereon to the
1045 redemption date, in the event that any moneys remain in the
1046 Project Fund after the Completion Date and are transferred from
1047 the Project Fund to the Bond Fund and are applied to the
1048 redemption of Bonds (rounded to the nearest \$5,000).

1050

1051 Notice of Redemption. Notice of redemption shall be
1052 given by mail not less than thirty (30) days or more than sixty
1053 (60) days prior to the redemption date to each holder of the
1054 Bonds or portions thereof to be redeemed at the last address
1055 shown on the registration books kept by the Bond Registrar.
1056 Failure so to mail any such notice to the holder of any Bond or
1057 any defect therein shall not affect the validity of the
1058 proceedings for such redemption as to the holders of any Bonds
1059 to whom notice has been mailed. The Issuer agrees that (a)
1060 upon notification by the Company of its intention to exercise
1061 its right to require the redemption of any of the Bonds, or (b)
1062 in connection with any other redemption of the Bonds, it will
1063 execute and deliver to the Trustee such notice of redemption as
1064 may be required to accomplish the same.

1065

1066 If, on or prior to the redemption date, sufficient
1067 moneys shall be deposited in the Bond Fund to pay the principal
1068 amount of the Bonds called for redemption and accrued interest
1069 or redemption premium due thereon on such redemption date, the
1070 Bonds or portions thereof thus called and provided for as
1071 hereinabove specified shall not bear interest after the
1072 redemption date and shall not be considered to be outstanding
1073 or to have any other rights under the Indenture other than this
1074 right to receive payment.

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CERTIFICATE OF CLERK

The undersigned Clerk of the City of Fort Wayne, Indiana hereby certifies that, upon the original delivery of the Bonds described herein, of which this Bond is one, King & Spalding, Atlanta, Georgia, Bond Counsel, rendered an opinion approving the legality of the Bonds. We are advised that such opinion will be valid only as of the date of delivery thereof, and the inclusion of the form of such opinion hereon shall create no representation that Bond Counsel has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion. The complete text of such opinion is as follows:

INSERT TEXT OF OPINION

An executed original of such opinion and supporting documents relating to the Bonds, of which this Bond is one, may be examined at the office of the undersigned in the City of Fort Wayne, Indiana.

CITY OF FORT WAYNE, INDIANA

Clerk

Exhibit B

Form of Fixed Rate Bond

No. FR-

\$ _____

City of Fort Wayne, Indiana
Pollution Control Revenue Bond
(General Motors Corporation Project)
Series 1985

Maturity Date:

Dated:

Registered Owner:

Principal Amount:

THE CITY OF FORT WAYNE, INDIANA and its successors and assigns (the Issuer"), a municipality and political subdivision of the State of Indiana, acknowledges itself indebted for value received and hereby promises to pay to the Registered Owner, or registered assigns, on the Maturity Date, the Principal Amount shown above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the principal office of The First National Bank of Chicago, as trustee and paying agent (herein called the Trustee"), or any successor thereto, and to pay interest on such Principal Amount at the rate of _____% per annum. Interest on the Bonds is due on each _____ 1 and _____ 1 ("Interest Payment Date") and is payable by check or draft of the Trustee mailed on such Interest Payment Date to the Registered Owner thereof as of the close of business on the Record Date relating to that Interest Payment Date. A Registered Owner of \$1,000,000 or more in an aggregate principal amount of Bonds may submit to the Trustee not less than fifteen (15) days before an Interest Payment Date a written notice that interest on such Bonds be payable by wire transfer to such Registered Owner (which notice may provide that it will remain in effect until changed or revoked). The principal, redemption price, if any, and interest on this Bond are payable in any coin or currency of the United States of America which, at the date of payment is legal tender for the payment of public and private debts; provided, however, that interest on this Bond shall be paid by check, draft or wire transfer as set forth above.

The Bonds are issued as registered Bonds without coupons and in denominations of \$5,000 each or any integral multiple thereof.

82 The Bonds and the interest and redemption premium, if
83 any, thereon shall never constitute a debt or general
84 obligation of the State of Indiana or the Issuer within the
85 meaning of any constitutional or statutory provision or
86 limitation and shall never constitute or give rise to a charge
87 against the general credit or taxing powers of the State of
88 Indiana or any agency thereof or the general funds or assets of
89 the Issuer (including funds relating to other Issuer loans or
90 activities), but shall be a limited obligation of the Issuer
91 payable solely from the Trust Estate created pursuant to the
92 Trust Indenture dated as of November 1, 1985 (the "Indenture")
94 between the Issuer and the Trustee and Summit Bank of Fort
95 Wayne, as co-trustee (the "Co-Trustee"). The Trust Estate
97 includes a pledge of all loan repayments made to the Issuer
98 pursuant to a Loan Agreement dated as of November 1, 1985
99 between General Motors Corporation (the "Company") and the
100 Issuer (the "Loan Agreement"), as a pledge of the Loan
101 Agreement itself.

102
103 The Bonds are issued pursuant to and in full com-
104 pliance with the Constitution and laws of the State of Indiana,
105 particularly Indiana Code, Section 36-7-12-1, et seq., and the
106 acts amendatory thereof and supplemented thereto (the "Act"),
108 (the "Act") and pursuant to an ordinance of the Issuer adopted
110 on November 15, 1985. All terms defined in the Indenture and
111 not otherwise defined herein shall have the meaning given
112 thereto in the Indenture. Copies of the Indenture and the Loan
113 Agreement are on file at the principal corporate trust office
114 of the Trustee in Chicago, Illinois.

116
117 The Trust Estate does not include any interest in the
118 Project, but includes a security interest in the Loan
119 Agreement, the Pledged Revenues (as defined in the Agreement),
120 and moneys in various funds created pursuant to the Indenture
121 and investments thereof and investment income thereon, all of
122 which (except those specifically described herein) have been
124 pledged and assigned by the Issuer to the Trustee. The Pledged
125 Revenues are established in amounts sufficient to pay
126 principal, redemption premium, if any, and interest on all
127 Bonds issued under the Indenture, as the same become due.

129
130 Reference is hereby made to the Indenture for a
131 description of the Trust Estate and to the Loan Agreement and
132 the Indenture for the provisions, among others, with respect to
133 the nature and extent of the Trust Estate, the rights, duties
134 and obligations of the Issuer, the Company, the Trustee, the
135 Co-Trustee and the Bondholders and the terms upon which the
137 Bonds are issued and secured, to all of which provisions the
138 holder of this Bond, by acceptance hereof, consents and agrees.

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141 If any Bond is mutilated, lost, stolen or destroyed,
142 the Issuer may execute and the Trustee (upon the receipt of a
143 written authorization from the Issuer) may authenticate and
144 deliver a new Bond in the appropriate form and in the same
145 aggregate principal amount and tenor in lieu of and in
146 substitution for the Bond mutilated, lost, stolen or destroyed;
147 provided that, in the case of any mutilated Bond, such
148 mutilated Bond shall first be surrendered to the Trustee, as
149 Registrar, and in the case of any lost, stolen or destroyed
150 Bond, there shall be first furnished to the Trustee evidence
151 satisfactory to it of the ownership of such Bond and of such
152 loss, theft or destruction, together with indemnity
153 satisfactory to it. If any such Bond shall have matured or a
154 redemption date pertaining thereto shall have passed, instead
155 of issuing a new Bond the Issuer may pay the same without
156 surrender thereof. The Issuer and the Trustee may charge the
157 holder of such Bond with their reasonable fees and expenses in
158 this connection.

159
160 The Issuer shall cause books for the registration and
161 for the transfer of the Bonds as provided herein to be kept by
162 the Bond Registrar.

163
164 Bonds may be transferred on the books of registration
165 kept by the Trustee as Bond Registrar by the holder in person
166 or by his duly authorized attorney, upon surrender thereof,
167 together with a written instrument of transfer executed by the
168 holder or his duly authorized attorney. Upon surrender for
169 registration of transfer of any Bond at the Principal Office of
170 the Trustee, the Issuer shall execute and the Trustee shall
171 authenticate and deliver in the name of the transferee or
172 transferees a new Bond or Bonds of the same interest rate,
173 aggregate principal amount and tenor and of any authorized
174 denomination or denominations and bearing numbers not
175 contemporaneously outstanding hereunder.

176
177
178 Bonds may be exchanged at the Principal Office of the
179 Trustee for an equal aggregate principal amount of Bonds in the
180 appropriate form and in the same aggregate principal amount and
181 tenor and of any authorized denomination or denominations. The
182 Issuer shall execute and the Trustee shall authenticate and
183 deliver Bonds which the bondholder making the exchange is
184 entitled to receive.

185
186 Such registration of transfer or exchanges of Bonds
187 shall be without charge to the holders of such Bonds, but any
188 taxes or other governmental charges required to be paid with
189 respect to the same shall be paid by the holder of the Bond
190 requesting such transfer or exchange as a condition precedent
191 to the exercise of such privilege.

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194 The Trustee shall not be required to register for
195 transfer or exchange after the giving of notice calling such
196 Bond for redemption or partial redemption has been made.

198
199 The person in whose name any Bond shall be registered
200 shall be deemed and regarded as the absolute owner thereof for
201 all purposes, and payment of or on account of either principal
202 or interest shall be made only to or upon the order of the
203 registered owner thereof or his duly authorized attorney, but
204 such registration may be changed as hereinabove provided. All
205 such payments shall be valid and effectual to satisfy and
206 discharge the liability upon such Bond to the extent of the sum
207 or sums so paid.

208
209 OPTIONAL REDEMPTION

210
211 [INSERT APPLICABLE OPTIONAL REDEMPTION PROVISION]

213
214 EXTRAORDINARY OPTIONAL REDEMPTION

215
216 The Bonds shall be redeemed by the Issuer on any
217 interest payment date as a whole, at 100% of the principal
218 amount thereof plus accrued interest to the redemption date at
219 the option of the Company in the event that:

221
222 (a) the Project or the Plant shall have been damaged
224 or destroyed to such an extent that, in the judgment of
226 the Company, (i) it cannot be reasonably restored within a
228 period of three (3) consecutive months to the condition
230 thereof immediately preceding such damage or destruction,
233 (ii) the Company is thereby prevented from carrying on its
235 normal operations at the Plant for a period of three (3)
237 consecutive months, or (iii) it would not be economically
239 feasible for the Company to replace, repair, rebuild or
241 restore the same;

243
244 (b) title in and to, or the temporary use of, all or
246 substantially all of the Project or the Plant shall have
248 been taken under the exercise of the power of eminent
250 domain by any governmental authority, or person acting
252 under governmental authority (including such a taking as,
255 in the judgment of the Company, results in the Company
257 being prevented thereby from carrying on its normal
259 operations at the Plant for a period of three (3)
261 consecutive months);

262
263 (c) as a result of any changes in the Constitution
265 of the State or the Constitution of the United States of
267 America or by legislative or administrative action

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(whether State or Federal) or by final decree, judgment, decision or order of any court or administrative body (whether State or Federal), the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed therein;

(d) unreasonable burdens or excessive liabilities shall have been imposed on the Company with respect to the operation of the Plant, including, without limitation, Federal, State or other ad valorem, property, income or other taxes not being imposed on the date hereof which, in the judgment of the Company, render the continued operation of the Plant uneconomic;

(e) changes which the Company cannot reasonably control or overcome in the economic availability of materials, supplies, labor, equipment and other properties and things necessary for the efficient operation of the Plant for the purposes contemplated by the Loan Agreement shall have occurred or technological changes which the Company cannot reasonably overcome shall have occurred which, in the judgment of the Company, render the continued operation of the Plant uneconomic;

(f) legal curtailment of the Company's use and occupancy of all or substantially all of the Plant for any reason other than that set forth in subsection (b), which curtailment shall, in the judgment of the Company, prevent the Company from carrying on its normal operations at the Plant for a period of three (3) consecutive months; or

(g) the Loan Agreement is terminated prior to its expiration for any reason other than the occurrence of an event of Default.

SPECIAL MANDATORY REDEMPTION

The Bonds are subject to special mandatory redemption in whole on any date within 180 days after receipt by the Trustee of notice of (a) the issuance of a public or private ruling of the Internal Revenue Service in which the Company has participated to the degree it deems sufficient and which ruling the Company, in its discretion, does not contest by any appropriate proceeding directly or through a holder of any Bonds, or (b) a final determination by any court of competent jurisdiction in the United States in a proceeding to which the Company is a party, in either case to the effect that, as a result of a failure by the Company to observe any covenant,

354 agreement, representation or warranty in the Loan Agreement,
355 the interest payable on the Bonds is includable in the gross
356 income for Federal income tax purposes of the holders thereof
357 (other than a person who is a substantial user of the Project
358 financed with the proceeds of the Bonds or a related person"
359 within the meaning of Section 103(b) of the Internal Revenue
360 Code of 1954, as amended, and the regulations and proposed
361 regulations thereunder). Upon the occurrence of any event
362 described in this paragraph, the Bonds shall be redeemed in
363 whole unless, in the opinion of Bond Counsel mutually
364 acceptable to the Issuer, the Trustee and the Company, the
365 redemption of a portion of such Bonds would have the result
366 that interest payable on the Bonds remaining outstanding after
367 such redemption would not be includable in the gross income for
368 Federal income tax purposes of any holder of any such Bonds
369 (other than a holder who is a "substantial user" of the
370 Projects or a "related person as described above). Any such
371 partial redemption shall be by lot in such amount as is
372 necessary to accomplish such result. The Bonds so redeemed
373 will be redeemed at a redemption price equal to 100% of the
374 principal amount thereof plus unpaid interest accrued to the
375 redemption date.

376

377 EXCESS PROCEEDS REDEMPTION

378

379 The Bonds are subject to redemption by the Issuer, at
381 the option of the Company, in whole or in part on any Interest
382 Payment Date, at a redemption price equal to 100% of the
383 principal amount thereof plus accrued interest thereon to the
384 redemption date, in the event that any moneys remain in the
385 Project fund after the Completion Date and are transferred from
386 the Project Fund to the Bond Fund and are applied to the
387 redemption of Bonds (rounded to the nearest \$5,000).

388

389 Notice of Redemption. Notice of redemption shall be
390 given by mail not less than thirty (30) days or more than sixty
391 (60) days prior to the redemption date to each holder of the
392 Bonds or portions thereof to be redeemed at the last address
393 shown on the registration books kept by the Bond Registrar.
394 Failure so to mail any such notice to the holder of any Bond or
395 any defect therein shall not affect the validity of the
396 proceedings for such redemption as to the holders of any Bonds
397 to whom notice has been mailed. The Issuer agrees that (a)
398 upon notification by the Company of its intention to exercise
399 its right to require the redemption of any of the Bonds, or (b)
400 in connection with any other redemption of the Bonds, it will
401 execute and deliver to the Trustee such notice of redemption as
402 may be required to accomplish the same.

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CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Bonds described in the
within-mentioned Indenture.

THE FIRST NATIONAL BANK
OF CHICAGO, as Trustee

By: _____
Authorized Officer

EXHIBIT C

\$31,000,000
CITY OF FORT WAYNE, INDIANA
POLLUTION CONTROL REVENUE BONDS
(GENERAL MOTORS CORPORATION PROJECT),
SERIES 1985

BOND PURCHASE AGREEMENT

November 5, 1985

City of Fort Wayne, Indiana
One Main Street
Fort Wayne, Indiana 46802
General Motors Corporation
767 Fifth Avenue
New York, New York 10153

Gentlemen:

The City of Fort Wayne, Indiana (the "Issuer") pursuant to a Bond Ordinance adopted on November 12, 1985 (the "Bond Ordinance") has authorized the issuance, sale and delivery of its City of Fort Wayne, Indiana Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985, in the aggregate principal amount of \$31,000,000 (the "Bonds"), for the purpose of providing for the acquisition, construction and installation of certain air and water pollution facilities, solid waste disposal facilities and related facilities (the "Project") for General Motors Corporation (the "Company"), a Delaware corporation, at its truck assembly plant located in the City of Fort Wayne, Indiana (the "Plant"). Under the terms of a Loan Agreement, dated as of November 1, 1985 (the "Agreement"), between the Issuer and the Company, the Issuer will issue the Bonds and will lend the proceeds of the sale of the Bonds to the Company to enable it to finance the cost of the Project, and the Company will agree to make payments to the Issuer in such amounts and at such times as will be sufficient to enable the Issuer to pay (i) the principal of, the redemption premium (if any) and the interest on the Bonds as the same become due, (ii) the purchase price of any Bonds required to be purchased pursuant to the Indenture (hereinafter defined), and (iii) certain other payments with respect to the Bonds.

83 The Bonds will be issued under a Trust Indenture,
83 dated as of November 1, 1985 (the "Indenture"), between the
84 Issuer and The First National Bank of Chicago, as trustee (the
86 "Trustee"), and Summit Bank of Fort Wayne, as co-trustee (the
88 "Co-Trustee"). Under the terms of the Indenture, the Issuer
90 will assign and pledge to the Trustee and the Co-Trustee all of
92 its right, title and interest in the Agreement (except certain
93 indemnification rights reserved by the Issuer therein), the
94 "Pledged Revenues" (defined in the Indenture) and all amounts
95 on deposit from time to time in the "Bond Fund" (defined in the
96 Indenture) and the "Project Fund" (defined in the Indenture),
97 as security for the payment of the Bonds.

98
99 Section 1. In reliance on the representations,
99 warranties, and covenants and upon the terms and conditions
102 contained in this Bond Purchase Agreement, the undersigned,
104 Morgan Stanley & Co. Incorporated (the "Underwriter"), hereby
106 agrees to purchase from the Issuer and the Issuer hereby agrees
107 to sell to the Underwriter, all (but not less than all) of the
108 Bonds, at a purchase price of 99.175% of par. The Bonds shall
109 bear interest from November 1, 1985 to and including
110 October 31, 1988 at the rate of 6.80% per annum.

112
113 The Underwriter, the Issuer and the Company hereby
114 agree that if the Underwriter fails (other than for a reason
117 permitted by this Bond Purchase Agreement) to purchase, accept
118 and pay for the Bonds upon tender thereof by the Issuer at the
119 Closing Time (as hereinafter defined) as herein provided, the
122 Underwriter shall forfeit its right under this Bond Purchase
123 Agreement to any compensation, fees, costs or expenses
123 ("Compensation") to be received from the Company for services
126 rendered prior to and on the Closing Date (as hereinafter
127 defined) in connection with the marketing and sale of the
129 Bonds. The Underwriter, the Issuer and the Company hereby
131 agree that, in such event, the forfeiture by the Underwriter of
133 its right under this Bond Purchase Agreement to Compensation,
135 shall be full liquidated damages for such failure, and the
136 forfeiture of the right to Compensation shall constitute a full
138 relief and discharge of all claims and damages for such
139 failure, and the Issuer and the Company shall have no further
141 action for damages, specific performance or any other legal or
142 equitable relief against the Underwriter for failure to comply
143 with its obligation under this Bond Purchase Agreement to
145 purchase, accept and pay for the Bonds upon tender thereof by
146 the Issuer at the Closing Time. Acceptance of this offer by
147 the Issuer and the Company shall constitute (i) their
150 representation to the effect that the amount of liquidated
151 damages provided for above is reasonable under the
152 circumstances and (ii) a waiver of any right they may have to
153 additional damages from the Underwriter.

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155 Section 2. The Underwriter intends to offer all of
156 the Bonds for resale at not in excess of the offering price or
157 prices (or yields) set forth on the cover page of the Offering
158 Circular hereinafter referred to. The Underwriter, however,
159 reserves the right to change such offering price or prices (or
160 yields) as the Underwriter shall deem necessary in connection
161 with the marketing of the Bonds. The Underwriter may offer and
162 sell the Bonds to certain dealers (including dealers depositing
163 the Bonds into investment trusts) and others at prices lower
164 than the offering prices (or yields higher than the
165 yields) stated on the cover of the Offering Circular. The
166 Underwriter also reserves the right (i) to over-allot or effect
167 transactions which stabilize or maintain the market price of
168 the Bonds at levels above that which might otherwise prevail in
169 the open market and (ii) to discontinue such stabilizing, if
170 commenced, at any time.
171

172
172
173 Section 3. The Issuer and the Company have caused to
174 be prepared and circulated by the Underwriter a Preliminary
175 Offering Circular dated October 24, 1985 (such Preliminary
176 Offering Circular, including the cover page and all appendices,
177 exhibits, reports and statements included therein or attached
178 thereto or incorporated by reference therein and any amendments
179 and supplements thereto that may be authorized by the Issuer
180 and the Company for use with respect to the Bonds being herein
181 called the "Preliminary Offering Circular"), and the Issuer and
182 the Company consent to and ratify the use of the Preliminary
183 Offering Circular by the Underwriter prior to the date hereof
184 in connection with the offering of the Bonds; provided,
185 however, that the use of the Preliminary Offering Circular in
186 connection with the offering and sale of the Bonds conformed,
187 and shall continue to conform, in all respects to all
188 requirements of applicable laws. Concurrently with the
189 execution and delivery of this Bond Purchase Agreement, the
190 Issuer and the Company shall deliver to the Underwriter as many
191 copies as the Underwriter shall reasonably request of an
192 Offering Circular, dated the date hereof, substantially in the
193 form of the Preliminary Offering Circular, with only such
194 changes therein or modifications thereto as shall have been
195 accepted by the Underwriter, the Issuer and the Company (such
196 Offering Circular, including the cover page and all appendices,
197 exhibits, reports and statements included therein or attached
198 thereto or incorporated by reference therein and any amendments
199 and supplements thereto that may be authorized by the Issuer
200 and the Company for use with respect to the Bonds being herein
201 called the "Offering Circular"). The Issuer and the Company
202 hereby authorize the use of copies of the Offering Circular,
203 the Indenture, the Agreement and other pertinent documents in
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216 connection with the offering and sale of the Bonds; provided,
218 however, that the use of the Offering Circular, the Indenture,
219 the Agreement and such other pertinent documents in connection
220 with the offering and sale of the Bonds shall conform in all
221 respects to all requirements of applicable laws.

223

224 If, during such period the Offering Circular is
225 required by law to be delivered in connection with sales of the
226 Bonds by the Underwriter, any event shall have occurred as a
227 result of which the Offering Circular as then amended or
228 supplemented would include an untrue statement of a material
229 fact or omit to state a material fact necessary in order to
230 make the statements therein, in light of the circumstances
231 under which they were made when the Offering Circular was or is
233 delivered, not misleading, or if for any other reason it shall
234 be necessary to amend or supplement the Offering Circular, the
235 Issuer and the Company agree to prepare and furnish without
237 charge to the Underwriter as many copies as the Underwriter may
238 from time to time reasonably request of an appropriate amended
239 Offering Circular or a supplement to the Offering Circular
240 which will cause the Offering Circular to comply with
242 applicable law. The costs of any such amendment or supplement
243 shall be borne by the Company.

244

244

245 Section 4. By its acceptance hereof, the Issuer
246 hereby represents and warrants to, and agrees with, the
247 Underwriter that:

248

249 (a) The Issuer is a municipality and political
249 subdivision of the State of Indiana (the "State") and has
251 all requisite power and authority under the Constitution
252 and laws of the State, including particularly the
253 provisions of Indiana Code, Section 36-7-12-1, et seq., as
255 amended (the "Act"), to (i) issue the Bonds, (ii) lend the
257 proceeds of the sale thereof to the Company to enable it
258 to acquire, construct and install the Project, and (iii)
259 enter into, and perform its obligations under, this Bond
260 Purchase Agreement, the Agreement and the Indenture.

262

263 (b) There are no actions, suits, proceedings,
263 inquiries or investigations pending, or to the knowledge
264 of the Issuer threatened, against or affecting the Issuer
265 in any court or before any governmental authority or
266 arbitration board or tribunal, which involve the
267 possibility of materially and adversely affecting the
268 transactions contemplated by this Bond Purchase Agreement
269 or which, in any way, would adversely affect the validity
269 or enforceability of the Bonds, the Indenture, the

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270 Agreement, this Bond Purchase Agreement or any agreement
272 or instrument to which the Issuer is a party and which is
273 used or contemplated for use in the consummation of the
274 transactions contemplated hereby.

275
276 (c) The issuance and sale of the Bonds and the
276 execution and delivery by the Issuer of the Agreement, the
278 Indenture and this Bond Purchase Agreement, and the
279 compliance by the Issuer with all of the provisions of the
280 Agreement, the Indenture, this Bond Purchase Agreement and
282 the Bonds (i) are within the purposes, powers and
283 authority of the Issuer, (ii) have been done in full
284 compliance with the provisions of the Act, (iii) are legal
285 and will not conflict with or constitute on the part of
286 the Issuer a violation of or a breach of or default under,
286 or result in the creation of any lien, charge or
287 encumbrance of any property of the Issuer (other than as
288 contemplated in the Indenture) under the provisions of,
289 any charter instrument, by-law, indenture, mortgage, deed
290 of trust, note agreement or other agreement or instrument
291 to which the Issuer is a party or by which the Issuer is
292 bound, or any license, judgment, decree, law, statute,
293 order, rule or regulation of any court or governmental
294 agency or body having jurisdiction over the Issuer or any
295 of its activities or properties, and (iv) have been duly
296 authorized by all necessary corporate action on the part
297 of the Issuer.

298
299 (d) This Bond Purchase Agreement constitutes, and
299 the Indenture and the Agreement, when executed and
300 delivered concurrently with the issuance and delivery of
301 the Bonds, will constitute legal, valid and binding
302 obligations of the Issuer, enforceable against the Issuer
303 in accordance with their terms, except as enforcement
304 thereof may be limited by bankruptcy, insolvency or other
305 laws affecting the enforcement of creditors' rights
306 generally and except that the availability of the remedy
307 of specific performance or other equitable relief is
307 subject to the discretion of the court before which any
308 proceeding therefor may be brought.

310
311 (e) The Bonds, when issued, authenticated and
312 delivered as provided in the Indenture, shall constitute
313 legal, valid and binding limited obligations of the
314 Issuer, enforceable against the Issuer in accordance with
315 their terms, except as enforcement thereof may be limited
316 by bankruptcy, insolvency or other laws affecting the
317 enforcement of creditors' rights generally and except that
318 the availability of the remedy of specific performance or

319 other equitable relief is subject to the discretion of the
320 court before which any proceeding therefor may be brought,
321 and will be entitled to the benefits and securities of the
322 Agreement, the Indenture and the Act.
324

325 (f) Neither the nature of the Issuer, nor any of its
326 activities or properties, nor any relationship between the
327 Issuer and any other person, nor any circumstances in
327 connection with the offer, issue, sale or delivery of the
328 Bonds is such as to require the consent, approval or
329 authorization of, or the filing, registration or
330 qualification with, any governmental authority on the part
331 of the Issuer in connection with the execution, delivery
332 and performance of the Agreement, the Indenture or this
333 Bond Purchase Agreement, or the offer, issue, sale or
334 delivery of the Bonds, other than those already obtained,
335 including (i) the public approval of the issuance of the
336 Bonds and compliance with the information reporting
337 requirements contained in Section 103(k) and Section
337 103(l), respectively, of the Code, and (ii) receipt of a
339 Notice of Allocation under the Indiana State Bond
340 Allocation Plan; provided, however, that no representation
340 is made herein as to the compliance by the Issuer with any
341 securities or "blue sky" laws of any state or other
342 jurisdiction.
343

344 (g) The information contained in the Preliminary
345 Offering Circular and the Offering Circular with respect
347 to the Issuer under the caption "The Issuers", insofar as
348 such information relates to the Issuer, is accurate and
350 complete in all material respects and does not contain any
351 untrue statement of a material fact and does not omit to
352 state a material fact necessary in order to make the
353 statements made, in light of the circumstances under which
354 they were made, not misleading.
355

356 (h) The Issuer has not been notified of any listing
357 or proposed listing by the Internal Revenue Service to the
358 effect that the Issuer is a bond issuer whose arbitrage
359 certifications may not be relied upon.
360

361 (i) The Issuer will cooperate with the Underwriter,
362 at its request, in the qualification of the Bonds for
363 offering and sale under the laws of such jurisdictions as
365 the Underwriter shall designate.
366

367 (j) Any certificate signed by an authorized officer
368 of the Issuer delivered to the Underwriter shall be deemed
369 a representation by the Issuer to the Underwriter as to
370 the statements made therein.
26
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372 (k) Neither the Issuer nor anyone acting on its
373 behalf has, directly or indirectly, offered the Bonds or
374 any similar securities of the Issuer issued or to be
375 issued on behalf of the Company for sale to, or solicited
377 any offer to buy the same from, anyone other than the
378 Underwriter.

379
380 It is understood that the representations and
380 warranties by the Issuer contained in this Section 4 and
381 elsewhere in this Bond Purchase Agreement shall not create any
382 general obligation or liability of the Issuer, and that any
383 obligation of the Issuer hereunder or under the Agreement or
384 the Indenture is payable solely out of the revenues and other
385 income, charges and moneys derived by the Issuer from or in
386 connection with the Agreement or the sale of the Bonds and no
387 officer of the Issuer shall be personally liable therefor.

389
390 Section 5. In order to induce the Underwriter to
390 enter into this Bond Purchase Agreement and in order to induce
392 the Issuer to enter into the Indenture, the Agreement and this
394 Bond Purchase Agreement, with full realization and appreciation
395 of the fact that the investment value of the Bonds and the
396 ability of the Issuer to sell and the Underwriter to resell the
397 Bonds are dependent upon the representations, warranties and
398 covenants of the Company contained herein, and in consideration
401 of the foregoing and the execution and delivery of this Bond
402 Purchase Agreement, the Company represents and warrants to and
403 covenants with the Issuer and the Underwriter as follows:

405
406 (a) The Company (i) is a corporation duly organized,
407 validly existing and in good standing under the laws of
407 the State of Delaware and is qualified to do business and
408 is in good standing under the laws of the State, and (ii)
410 has all necessary licenses, permits, franchises and other
412 governmental authorizations to own its properties and
413 carry out its businesses which, if not obtained by the
415 Company, might materially and adversely affect the
416 financial condition of the Company.

417
418 (b) Except as stated in the Offering Circular or in
419 any document or financial statement incorporated by
419 reference therein, there are no proceedings pending, or to
421 the knowledge of the Company threatened, against or
422 affecting the Company in any court or before any
423 governmental authority or arbitration board or tribunal
424 which involve the possibility of materially and adversely
425 affecting the financial condition of the Company, or the
427 transactions contemplated by this Bond Purchase Agreement

428 or which, in any way, would adversely affect the validity
428 or enforceability of the Bonds, the Indenture, the
429 Agreement, this Bond Purchase Agreement or any agreement
431 or instrument to which the Company is a party and which is
431 used or contemplated for use in the consummation of the
432 transactions contemplated hereby.
434

435 (c) The execution and delivery by the Company of the
436 Agreement and this Bond Purchase Agreement and the
437 compliance by the Company with all of the provisions of
438 the Agreement and this Bond Purchase Agreement (i) are
440 within the corporate power of the Company, (ii) will not
441 conflict with or result in any material breach of any of
442 the provisions of, or constitute a material default under,
443 or result in the creation of any lien, charge or
443 encumbrance upon any property of the Company (other than
444 as contemplated by the Agreement) under the provisions of,
446 any agreement, charter document, by-law or other
447 instrument to which the Company is a party or by which it
448 may be bound, or any license, decree, law, statute, order,
449 rule or regulation of any court or governmental agency or
450 body having jurisdiction over the Company or any of its
451 activities or properties, and (iii) have been duly
452 authorized by all necessary corporate action on the part
453 of the Company.
454

455 (d) This Bond Purchase Agreement constitutes, and
455 the Agreement, when executed and delivered by the Company
457 concurrently with the issuance and delivery of the Bonds,
458 will constitute legal, valid and binding obligations of
459 the Company, enforceable against the Company in accordance
460 with their terms, except as enforcement thereof may be
461 limited by applicable bankruptcy, insolvency or other laws
462 affecting the enforcement of creditors' rights generally
463 and except that the availability of the remedy of specific
464 performance or other equitable relief is subject to the
465 discretion of the court before which any proceedings
465 therefor may be brought, and except as enforcement of the
466 provisions of Section 9 of this Bond Purchase Agreement
467 relating to indemnification and contribution may be
468 limited by Federal or state securities laws.
470

471 (e) There has been no material adverse change in the
472 financial condition of the Company and its consolidated
473 subsidiaries, taken as a whole, since September 30, 1985,
473 otherwise than as set forth or incorporated by reference
474 or otherwise contemplated in the Offering Circular.
476

477 (f) The documents incorporated into the Offering
478 Circular by reference to filings by the Company under
478 Section 13 or 14 of the Securities Exchange Act of 1934,
479 as amended, including, without limitation, the
480 consolidated financial statements of the Company
481 (including the notes thereto) included therein, comply in
482 all material respects with the requirements (including,
483 without limitation, the accounting requirements) of the
484 Securities Exchange Act of 1934, as amended, and the rules
485 and regulations of the Securities and Exchange Commission
486 thereunder; and such financial statements present fairly
487 the financial condition of the Company and its
488 consolidated subsidiaries as of the dates indicated and
489 the results of their operations for the periods therein
490 specified, and have been prepared in accordance with
490 generally accepted principles of accounting which have
491 been consistently applied in all material respects
492 throughout the period involved, except as otherwise stated
493 therein.
494

495 (g) Neither the Company nor any of its business or
495 properties, nor any relationship between the Company and
496 any other person, nor any circumstances in connection with
497 the execution, delivery and performance by the Company of
498 the Agreement or this Bond Purchase Agreement or the
500 offer, issue, sale or delivery by the Issuer of the Bonds,
501 is such as to require the consent, approval or
501 authorization of, or the filing, registration or
502 qualification with, any governmental authority on the part
503 of the Company other than those already obtained;
504 provided, however, that no representation is made herein
505 as to the compliance with the securities or "blue sky"
506 laws of any state or other jurisdiction.
507

508 (h) Except as stated in the Offering Circular or in
509 any document or financial statement incorporated by
509 reference therein, the Company is not in violation of any
511 laws, ordinances, governmental rules or regulations to
512 which it is subject, which violation might materially and
514 adversely affect the financial condition of the Company.
516

517 (i) With respect to the information relating to the
518 Company, all properties of the Company, and the operation
518 thereof, the acquisition, construction and installation of
519 the Project, and the participation by the Company in the
520 transactions contemplated hereby, the Preliminary Offering
521 Circular was and the Offering Circular is, and at all
522 times subsequent hereto up to and including the Closing
523 Date (hereinafter defined) will be, true and correct in

all material respects and the Preliminary Offering Circular did not contain and the Offering Circular does not contain and will not contain any untrue statement of a material fact and the Preliminary Offering Circular did not omit and the Offering Circular does not omit and will not omit to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(j) The Company will not take or omit to take any action which will in any way cause or result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Indenture, the Agreement, the Offering Circular and this Bond Purchase Agreement.

(k) The Company has not been notified that the Securities and Exchange Commission or any state securities commission has issued or has threatened to issue any order preventing or suspending the use of the Preliminary Offering Circular or the Offering Circular.

(l) Neither the Company nor anyone acting on its behalf has, directly or indirectly, offered the Bonds or any similar securities of the Issuer in connection with the Project for sale to, or solicited any offer to buy the same from, anyone other than the Underwriter.

(m) Any certificate signed by an authorized officer of the Company delivered to the Issuer or the Underwriter shall be deemed a representation and warranty by the Company to such parties as to the statements made therein.

Section 6. The Underwriter shall have the right to cancel its obligation to purchase the Bonds hereunder by notifying the Issuer and the Company in writing or by telegram of its election to do so between the date hereof and the Closing if on or after the date hereof and prior to the Closing:

(a) legislation shall be enacted or be actively considered for enactment by the Congress of the United States, a decision by a court of the United States or the United States Tax Court shall be rendered or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made

577 or proposed to be made with respect to Federal taxation
578 upon revenues or other income of the general character to
579 be derived by the Issuer under the Agreement or by any
580 similar body, or upon interest on obligations of the
581 general character of the Bonds, or other action or events
582 shall have transpired which have the purpose or effect,
583 directly or indirectly, of changing the Federal income tax
584 consequences of any of the transactions contemplated in
585 connection herewith, which, in the reasonable opinion of
586 the Underwriter, could materially adversely affect the
586 market price of the Bonds or the market price generally of
587 obligations of the general character of the Bonds; or
589

590 (b) any legislation, ordinance or regulation shall
591 be enacted or be actively considered for enactment by any
592 governmental body, department or agency of the State of
593 Indiana or the City of Fort Wayne, Indiana, or a decision
594 by any court of competent jurisdiction within the State
595 shall be rendered which, in the reasonable opinion of the
596 Underwriter, could materially adversely affect the market
597 price of the Bonds or the market price generally of
598 obligations of the general character of the Bonds; or
600

601 (c) a stop order, ruling, regulation or official
602 statement by or on behalf of the Securities and Exchange
603 Commission shall be issued or made to the effect that the
604 issuance, offering or sale of the Bonds, or of obligations
605 of the general character of the Bonds, is in violation of
606 any provision of the Securities Act of 1933, as amended,
607 the Securities Exchange Act of 1934, as amended, or the
608 Trust Indenture Act of 1939, as amended; or requires
609 registration or the qualification of the Agreement or the
611 Indenture under any of such Acts; or
613

614 (d) any event shall have occurred or shall exist
615 which, in the reasonable opinion of the Underwriter,
615 either (i) makes untrue or incorrect in any material
616 respect any statement or information contained in the
617 Offering Circular, or (ii) is not reflected in the
618 Offering Circular and should be reflected therein in order
619 to make the statements and information contained therein
620 not misleading in any material respect; or
622

623 (e) trading shall be suspended, or new or additional
624 trading or loan restrictions shall be imposed by the New
625 York Stock Exchange or other national securities exchange
626 or governmental authority with respect to the Bonds or a
628 general banking moratorium shall be declared by either
629 Federal, Indiana or New York authorities; or
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(f) any litigation other than litigation disclosed in the Official Statement shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, the Indenture or the Agreement or the existence or corporate powers of the Issuer or the Company to carry out the transactions contemplated hereby; or

(g) there shall have occurred in the reasonable judgment of the Underwriter any material adverse change in financial condition or the affairs of the Company; or

(h) Moody's Investors Service, Inc. (the "Moody's") shall have taken any action to lower, suspend or withdraw its rating of Aal for the Bonds.

Section 7. If either the Issuer or the Company shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Issuer nor the Company shall be under any further obligation hereunder; except that the obligations to pay expenses, as provided in Section 15 hereof, shall continue in full force and effect. The Underwriter may, in its discretion, waive any one or more of the conditions imposed by this Bond Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

Section 8. The Company agrees to notify the Underwriter of any material adverse change in its financial condition occurring before the Closing that would require a revision of the information in the Offering Circular in order to make the representations and warranties set forth in Section 5 hereof accurate and complete.

Section 9. (a) To the fullest extent permitted by applicable law, the Company will indemnify and hold harmless the Underwriter, and each member, officer, director, official or employee of the Underwriter, and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively called the "Section 9(a) Indemnified Parties"), against (i) any

690 and all losses, claims, damages, expenses, actions or
691 liabilities, joint or several, to which any Section 9(a)
692 Indemnified Party may become subject under any statute or
693 regulation or at common law or otherwise and, except as
694 hereinafter provided, will reimburse the Section 9(a)
695 Indemnified Parties for any legal or other expense reasonably
696 incurred by them or any of them in connection with
697 investigating or defending any such losses, claims, damages,
698 expenses or actions asserting liability, whether or not
699 resulting in any liability, insofar as such losses, claims,
700 damages, expenses, actions or liabilities arise out of or are
701 based upon any untrue statement or misleading statement or
702 alleged untrue statement or alleged misleading statement of a
703 material fact contained in the Preliminary Offering Circular or
704 the Offering Circular or arise out of or are based upon any
705 omission or alleged omission from the Preliminary Offering
705 Circular or the Offering Circular of any material fact
707 necessary to be stated therein in order to make the statements
708 made therein, in light of the circumstances under which they
709 were made, not misleading; provided, however, that the Company
710 will not be liable in any such case to the extent that any such
711 loss, claim, damage, expense, action or liability arises out of
712 or is based upon any untrue statement or alleged untrue
713 statement or omission or alleged omission made in the
714 Preliminary Offering Circular or the Offering Circular in
715 reliance upon and in conformity with written information
716 furnished to the Company by the Underwriter expressly for use
718 therein, and (ii) any and all losses, claims, damages,
720 expenses, actions or liabilities, joint or several, to which
721 the Section 9(a) Indemnified Parties or any of them may become
722 subject under the Securities Act of 1933, the Securities
723 Exchange Act of 1934, the Trust Indenture Act of 1939, the
724 rules or regulations under said Acts, or any amendment of said
725 Acts, insofar as such losses, claims, damages, expenses,
726 actions or liabilities arise out of or are based upon the
727 failure to register the Bonds or the Agreement under the
728 Securities Act of 1933, as amended, or to qualify the Indenture
730 under the Trust Indenture Act of 1939, as amended.

732

733 (b) To the fullest extent permitted by applicable
734 law, the Company will indemnify and hold harmless the Issuer
736 and its officers, agents and employees (collectively called the
738 "Section 9(b) Indemnified Parties"), against any and all
739 losses, claims, damages, expenses, actions or liabilities,
740 joint or several, to which any Section 9(b) Indemnified Party
741 may become subject under any statute or regulation or at common
742 law or otherwise and, except as hereinafter provided, will
743 reimburse the Section 9(b) Indemnified Parties for any legal or
744 other out-of-pocket expense reasonably incurred by them or any

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745 of them in connection with investigating or defending any such
746 losses, claims, damages, expenses, actions or liabilities,
747 whether or not resulting in any liability, insofar as such
748 losses, claims, damages, expenses, actions or liabilities are
749 related to the Bonds; provided, however, that the Company shall
752 have no obligation to indemnify the Issuer, its officers,
753 agents or employees, pursuant to this subsection (b) with
754 respect to any liability, losses, damages, costs, expenses
755 (including counsel fees), taxes, causes of action, suits,
756 claims, demands or judgments which arise in any manner out of
757 or relate to or are caused by the gross negligence or willful
758 misconduct of the Issuer, its directors, members, officers,
759 agents or employees.

762
763 (c) The Underwriter will indemnify and hold harmless
764 the Company, the Issuer and their officers, directors and
765 employees and each person, if any, who controls the Company or
766 the Issuer within the meaning of the Securities Act of 1933, as
767 amended, the Securities Exchange Act of 1934, as amended, or
768 otherwise (collectively called the "Section 9(c) Indemnified
769 Parties") against any losses, claims, damages or liabilities,
770 joint or several, to which any Section 9(c) Indemnified Party
771 may become subject, under any statute or regulation or at
772 common law or otherwise, insofar as such losses, claims,
774 damages or liabilities (or actions in respect to thereof) arise
775 out of or are based upon any untrue statement or alleged untrue
776 statement of a material fact contained in the Offering
777 Circular, any amendment or supplement thereto, or the
778 Preliminary Offering Circular, or arise out of or are based
779 upon the omission or the alleged omission to state therein a
780 material fact necessary to make the statements therein, in
781 light of the circumstances under which they were made, not
782 misleading, in each case to the extent, but only to the extent,
783 that such untrue statement or alleged untrue statement or
784 omission or alleged omission was made in such document in
785 reliance upon and in conformity with the written information
786 furnished to the Company or the Issuer by the Underwriter
787 especially for use therein; and will indemnify and hold
788 harmless each Section 9(c) Indemnified Party against any legal
789 or other expenses reasonably incurred by such Section 9(c)
790 Indemnified Party in connection with investigating or defending
791 any such loss, claim, damage, liability or action. This
792 indemnity agreement will be in addition to any liability which
793 the Underwriter may otherwise have.

794
795 (d) Promptly after receipt by a Section 9(a)
796 Indemnified Party of notice of the commencement of any action
797 in respect of which indemnification may be sought against the
798 Company under this Section, such Section 9(a) Indemnified Party

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800 shall promptly notify the Company in writing; but the omission
802 so to notify the Company will not relieve the Company from any
805 liability which it may have to any Section 9(a) Indemnified
806 Party otherwise than under paragraph (a) or (d) of this
807 Section 9 nor affect any rights it may have otherwise than
808 under this Section to participate in and/or assume the defense
809 of any action brought against any Section 9(a) Indemnified
810 Party. In case such action is brought against any Section 9(a)
811 Indemnified Party, and it notifies the Company of the
813 commencement thereof, the Company will be entitled to
815 participate in, and, to the extent that it chooses so to do, to
816 assume the defense thereof (including the employment of counsel
817 reasonably satisfactory to such Section 9(a) Indemnified
818 Party), and the Company shall assume the payment of all fees
820 and expenses relating to such defense and shall have the right
821 to negotiate and consent to settlement thereof. Any one or
822 more of the Section 9(a) Indemnified Parties shall have the
823 right to employ separate counsel in any such action and to
824 participate in the defense thereof, but after notice from the
825 Company to such Section 9(a) Indemnified Party of its election
827 to assume the defense thereof, the fees and expenses of such
828 separate counsel shall be at the expense of such Section 9(a)
829 Indemnified Party or Section 9(a) Indemnified Parties unless
830 the employment of such counsel has been specifically authorized
831 in writing by the Company. The Company shall not be liable for
834 any settlement of any such action effected without its consent,
835 but if settled with the consent of the Company or if there be a
838 final judgment for the plaintiff in any such action as to which
839 the Company has received notice in writing as hereinabove
841 required, the Company agrees to indemnify and hold harmless the
843 Section 9(a) Indemnified Party from and against any loss or
844 liability by reason of such settlement or judgment.

845
846 (e) Promptly after receipt by a Section 9(b)
847 Indemnified Party of notice of the commencement of any action
848 in respect of which indemnification may be sought against the
849 Company under this Section, such Section 9(b) Indemnified Party
851 shall promptly notify the Company in writing; but the omission
853 so to notify the Company will not relieve the Company from any
856 liability which it may have to any Section 9(a) Indemnified
857 Party otherwise than under paragraph (b) or (e) of this
858 Section 9 nor affect any rights it may have otherwise than
859 under this Section to participate in and/or assume the defense
860 of any action brought against any Section 9(b) Indemnified
861 Party. In case such action is brought against any Section 9(b)
862 Indemnified Party, and it notifies the Company of the
864 commencement thereof, the Company will assume the defense
866 thereof (including the employment of counsel reasonably
867 satisfactory to such Section 9(b) Indemnified Party), and the

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868 Company shall assume the payment of all fees and expenses
870 relating to such defense and shall have the right to negotiate
871 and consent to settlement thereof. Any one or more of the
872 Section 9(b) Indemnified Parties shall have the right to employ
873 separate counsel in any such action and to participate in the
874 defense thereof, but after assumption of the defense thereof by
875 the Company, the fees and expenses of such separate counsel
877 shall be at the expense of such Section 9(b) Indemnified Party
878 or Section 9(b) Indemnified Parties unless the employment of
879 such counsel has been specifically authorized in writing by the
880 Company. The Company shall not be liable for any settlement of
883 any such action effected without its consent, but if settled
884 with the consent of the Company or if there be a final judgment
886 for the plaintiff in any such action as to which the Company
888 has received notice in writing as hereinabove required, the
890 Company agrees to indemnify and hold harmless the Section 9(b)
892 Indemnified Party from and against any loss or liability by
893 reason of such settlement or judgment.

894
895 (f) Promptly after receipt by a Section 9(c)
895 Indemnified Party of notice of the commencement of any action
896 in respect of which indemnification may be sought against the
897 Underwriter under this Section, such Section 9(c) Indemnified
898 Party shall promptly notify the Underwriter in writing; but the
900 omission so to notify the Underwriter will not relieve the
901 Underwriter from any liability which it may have to any Section
902 9(c) Indemnified Party otherwise than under paragraph (c) or
903 (f) of this Section 9 nor affect any rights it may have
904 otherwise than under this Section to participate in and/or
905 assume the defense of any action brought against any Section
906 9(c) Indemnified Party. In case such action is brought against
907 any Section 9(c) Indemnified Party, and it notifies the
908 Underwriter of the commencement thereof, the Underwriter will
909 assume the defense thereof (including the employment of counsel
910 reasonably satisfactory to such Section 9(c) Indemnified
911 Party), and the Underwriter shall assume the payment of fees
912 and expenses related to such defense and shall have the right
913 to negotiate and consent to settlement thereof. Any one or
914 more of the Section 9(c) Indemnified Parties shall have the
915 right to employ separate counsel in any such action and to
916 participate in the defense thereof, but after assumption of the
917 defense thereof by the Underwriter, the fees and expenses of
918 such separate counsel shall be at the expense of such Section
919 9(c) Indemnified Party or Section 9(c) Indemnified Parties
920 unless the employment of such counsel has been specifically
921 authorized in writing by the Underwriter. The Underwriter
922 shall not be liable for any settlement of any such action
923 effected without its consent, but if settled with the consent
924 of the Underwriter or if there be a final judgment for the

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925 plaintiff in any such action as to which the Underwriter has
926 received notice in writing as hereinabove required, the
927 Underwriter agrees to indemnify and hold harmless the Section
928 9(c) Indemnified Party from and against any loss or liability
929 by reason of such settlement or judgment.

931

932 (g) In order to provide for just and equitable
933 contribution in circumstances in which the indemnity provided
934 for in paragraphs (a) and (d) of this Section 9 is for any
935 reason held to be unavailable from the Company with respect to
937 any losses, claims, damages or liabilities (or actions in
938 respect thereof) referred to therein, then each indemnifying
939 party shall contribute to the amount paid or payable by such
940 indemnified party as a result of such losses, claims, damages
941 or liabilities (or actions in respect thereof) in such
942 proportion as is appropriate to reflect the relative benefits
943 received by the Company on the one hand and the Underwriter on
945 the other from the offering of the Bonds. If, however, the
946 allocation provided by the immediately preceding sentence is
947 not permitted by applicable law or if the indemnified party
948 failed to give notice required under subsection (d) above, then
949 each indemnifying party shall contribute to such amount paid or
950 payable by such indemnified party in such proportion as is
951 appropriate to reflect not only such relative benefits but also
952 the relative fault of the Company on the one hand and the
954 Underwriter on the other in connection with the statements or
955 omissions which resulted in such losses, claims, damages or
956 liabilities (or actions in respect thereof), as well as any
957 other relevant equitable considerations. The relative benefits
958 received by the Company on the one hand and the Underwriter on
960 the other shall be deemed to be in the same proportion as the
961 total net proceeds from the offering (before deducting
962 expenses) bear to the total underwriting discounts and
963 commissions received by the Underwriter, in each case as set
964 forth in the Offering Circular. The relative fault shall be
965 determined by reference to, among other things, whether the
966 untrue or alleged untrue statement of a material fact or the
967 omission or alleged omission to state a material fact relates
968 to information supplied by the Company on the one hand or the
970 Underwriter on the other and the parties' relative intent,
971 knowledge, access to information and opportunity to correct or
972 prevent such statement or omission. The Company and the
974 Underwriter agree that it would not be just and equitable if
975 contribution pursuant to this subsection (g) were determined by
976 pro rata allocation or by any other method of allocation which
977 does not take account of the equitable considerations referred
978 to above in this subsection (g). The amount paid or payable by
979 an indemnified party as a result of the losses, claims, damages
980 or liabilities (or actions in respect thereof) referred to

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981 above in this subsection (g) shall be deemed to include any
982 legal or other expenses reasonably incurred by such indemnified
983 party in connection with investigating or defending any such
984 action or claim. For purposes of this paragraph (g), each
985 officer, director, employee, agent or attorney of the
986 Underwriter and each person, if any, who controls the
987 Underwriter within the meaning of Section 15 of the Securities
988 Act of 1933 or Section 20 of the Securities Exchange Act of
989 1934, or any amendment of said Acts, shall, under the same
990 circumstances, have the same rights to contribution as does the
991 Underwriter hereunder. Within a reasonable time after a party
992 entitled to contribution under this paragraph (g) of Section 9
993 shall have been served with the summons or other first legal
994 process or shall have received written notice of the threat of
995 a claim in respect of which contribution may be sought
996 hereunder, such person shall, if a claim for contribution is to
997 be made against the Company under this paragraph (g), notify
998 the Company in writing of the commencement thereof; but the
1000 omission so to notify the Company shall not relieve the Company
1003 from any liability that it may have other than pursuant to this
1004 paragraph (g); provided, however, that any notice given by the
1005 Underwriter for purposes of, and as provided in, paragraph (d)
1006 of this Section 9 shall constitute notice for purposes of this
1008 paragraph (g).

1009
1009

1010 Section 10. The indemnification and contribution
1011 provided by Section 9 hereof shall be in addition to any other
1012 liability that the Company may otherwise have hereunder, at
1014 common law or otherwise, and is provided solely for the benefit
1015 of each Section 9(a) Indemnified Party, each Section 9(b)
1017 Indemnified Party and each Section 9(c) Indemnified Party and
1018 their respective successors, assigns and legal representatives,
1019 and no other person shall acquire or have any right under or by
1021 virtue of such provisions of this Bond Purchase Agreement.

1022
1022

1023 Section 11. The Company as provided in Section 9
1024 will reimburse the Underwriter, the Issuer and any other party
1026 indemnified or entitled to contribution under Section 9 for any
1027 reasonable out-of-pocket expense (including reasonable fees and
1027 expenses of counsel) incurred as a result of producing
1028 documents, presenting testimony or evidence, or preparing to
1029 present testimony or evidence, in connection with any court or
1031 administrative proceeding (including any investigation that may
1032 be preliminary thereto) arising out of or relating to the
1033 offer, issuance and sale of the Bonds; provided that the
1034 Company shall have no obligation to make any reimbursement to
1035 the Underwriter hereunder to the extent that any such expenses

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1036 result from any act or omission of the Underwriter with respect
1037 to which the Company shall be entitled to be indemnified under
1038 Section 9(c) hereof.

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1039

1040 Section 12. The Bonds shall be issued under and
1041 secured as provided in the Indenture, and the Bonds shall have
1042 the maturity and interest rates and be subject to purchase and
1044 redemption as set forth in the Indenture and the Official
1045 Statement.

1046

1047 Payment for the Bonds shall be made by certified or
1048 official bank check or checks in Clearing House (next
1049 day) funds payable to the order of the Trustee, for the account
1050 of the Issuer, at the offices of Morgan Stanley & Co.
1052 Incorporated, New York, New York, at 10:00 a.m., local time, on
1054 November 14, 1985, or such other place, time, or date as shall
1056 be mutually agreed upon by the Issuer, the Company and the
1059 Underwriter. The date of such delivery and payment is herein
1060 called the "Closing Date," and the hour and date of such
1061 delivery and payment is herein called the "Closing Time." The
1062 delivery of the Bonds shall be made in definitive form, bearing
1063 CUSIP numbers, (provided neither the printing of a wrong number
1065 on any Bond nor the failure to print a number thereon shall
1066 constitute cause to refuse delivery of any Bond) and issued as
1068 fully registered bonds (in such denominations as the
1069 Underwriter shall specify in writing at least 48 hours prior to
1070 the Closing Time). The Bonds shall be available for
1071 examination and packaging by the Underwriter at least 24 hours
1072 prior to the Closing Time.

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1074 Section 13. The Underwriter's obligations hereunder
1075 shall be subject (i) to the due performance by the Issuer and
1076 the Company of their obligations and agreements to be performed
1080 under this Bond Purchase Agreement at or prior to the Closing
1081 Time, (ii) to the accuracy of and compliance with the
1082 representations and warranties of the Issuer and the Company
1084 contained herein, as of the date hereof and as of the Closing
1085 Time, and (iii) to the following additional conditions,
1087 including the delivery by the Issuer, the Company, the Trustee
1088 and the Co-Trustee of such documents as are contemplated hereby
1090 in form and substance satisfactory to King & Spalding, Counsel
1092 to the Underwriter.

1093

1094 (a) At the time of the Closing (1) the Offering
1094 Circular, the Indenture and the Agreement shall be in full
1097 force and effect and shall not have been amended, modified
1098 or supplemented except as may have been agreed to in

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1099 writing by the Underwriter, provided that if any such
1100 amendments, modifications or supplements shall not be
1101 acceptable to the Underwriter, the Underwriter shall have
1101 the right to cancel its obligation to purchase the Bonds
1103 hereunder, (2) the proceeds of the sale of the Bonds shall
1104 be delivered to the Trustee pursuant to the Indenture for
1105 application as described in the Indenture and the Offering
1107 Circular, and (3) the Issuer and the Company shall have
1108 duly adopted and there shall be in full force and effect
1109 such resolutions as, in the opinion of King & Spalding,
1111 Atlanta, Georgia, Underwriter's Counsel, shall be
1113 necessary in connection with the transactions contemplated
1114 hereby;

1115
1116 (b) At or prior to the Closing, the Underwriter
1116 shall receive the following:

1118
1119 (1) The Indenture and the Agreement duly
1120 authorized, executed and delivered in the form
1121 heretofore approved by the Underwriter with only any
1122 such changes therein as shall be mutually agreed upon
1123 by the Issuer, the Underwriter, the Company, the
1124 Trustee and the Co-Trustee;

1125
1126 (2) The opinions dated the Closing Date of (A)
1127 Grotrian & Boxberger, Fort Wayne, Indiana, Counsel to
1128 the Issuer (in the form and substance satisfactory to
1129 the Underwriter and covering the matters specified in
1130 Exhibit A); (B) King & Spalding, Atlanta, Georgia,
1132 Bond Counsel (in form and substance satisfactory to
1133 the Underwriter and covering the matters specified in
1134 Exhibit B); (C) a Senior Attorney of the Company (in
1136 form and substance satisfactory to the Underwriter
1137 and covering the matters specified in Exhibit C); and
1139 (D) King & Spalding, Atlanta, Georgia, Counsel for
1140 the Underwriter, as to such matters pertaining to the
1141 issuance, sale and delivery of the Bonds as the
1142 Underwriter shall reasonably request;

1143
1144 (3) A letter from the counsel to the
1145 Underwriter indicating the jurisdictions in which the
1146 Bonds are exempt or have been qualified or exempted
1147 under the securities or "Blue Sky" laws of such
1148 jurisdictions;

1149
1150 (4) A certificate, satisfactory in form and
1150 substance to the Underwriter, of the Mayor of the
1152 Issuer, attested by the City Clerk of the Issuer, or
1154 of any other of the duly authorized officers of the

Issuer satisfactory to the Underwriter, and dated as of the Closing Date, to the effect that: (i) the Issuer has duly performed all of its obligations to be performed at or prior to the Closing Time pursuant to this Bond Purchase Agreement and each of the representations and warranties of the Issuer contained herein and in the Agreement is true as of the Closing Time; (ii) the Bonds have been duly authorized by all necessary action on the part of the Issuer, have been duly executed, issued and delivered by the Issuer, have been duly authenticated by the Trustee and constitute legal, valid and binding limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and except that the availability of the remedy of specific performance or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought; (iii) the Bond Ordinance has been duly adopted by the Issuer, and the Agreement, the Indenture and this Bond Purchase Agreement and any and all such documents as may be required to be executed, delivered and/or approved by the Issuer in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Offering Circular have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and delivered or approved by the Issuer and constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and except that the availability of the remedy of specific performance or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought, and except as enforceability of the provisions of Section 9 of this Bond Purchase Agreement relating to indemnification and contribution may be limited by Federal or State securities laws; (iv) no litigation is pending against the Issuer, or, to its knowledge, threatened, to restrain or enjoin the issuance or sale of the Bonds or the validity of the Bonds, the Indenture, the Agreement, this Bond Purchase Agreement or the existence or powers of the Issuer or the right of the

1208 Issuer to use the proceeds of the Bonds to finance
1209 the costs of the Project; and (v) the execution,
1211 delivery and performance of the Bonds, the Indenture,
1212 the Agreement, this Bond Purchase Agreement and the
1214 other agreements contemplated hereby and by the
1215 Offering Circular under the circumstances
1216 contemplated thereby and the compliance by the Issuer
1217 with the provisions hereof and thereof will not
1218 conflict with or constitute on the part of the Issuer
1219 a breach of or a default under the Act or any other
1220 existing law, court or administrative regulation,
1221 decree or order or any agreement, indenture, lease,
1222 or other instrument to which the Issuer is subject or
1223 by which the Issuer is or may be bound;
1225

1226 (5) A certificate, satisfactory in form and
1227 substance to the Underwriter, of the Treasurer or any
1227 Vice President of the Company, or of any other duly
1229 authorized officer of the Company satisfactory to the
1230 Underwriter, dated as of the Closing Date, to the
1231 effect that (i) each of the representations and
1234 warranties of the Company contained herein and in the
1235 Agreement is accurate and complete as of the Closing
1237 Time; (ii) the Agreement and this Bond Purchase
1238 Agreement have been duly authorized by all necessary
1240 action on the part of the Company (no action by the
1241 shareholders of the Company being required by law, by
1242 the Restated Certificate of Incorporation or By-laws
1243 of the Company or otherwise), have been validly
1244 executed and delivered by the Company and constitute
1245 legal, valid and binding obligations of the Company,
1246 enforceable against the Company in accordance with
1247 their terms, except as enforceability may be limited
1248 by bankruptcy, insolvency or other laws affecting the
1250 enforcement of creditors' rights generally and except
1251 that the availability of the remedy of specific
1252 performance or other equitable relief is subject to
1253 the discretion of the court before which any
1254 proceeding therefor may be brought, and except as
1255 enforceability of the provisions of Section 9 of this
1255 Bond Purchase Agreement relating to indemnification
1256 and contribution may be limited by Federal or State
1257 securities laws; (iii) there is no action, suit,
1260 proceeding, inquiry or investigation at law or in
1262 equity or before or by any public board or body
1263 pending or threatened against the Company (or, to the
1265 knowledge of the Company, any basis therefor) which,
1266 if determined adversely to the Company, would
1266 materially adversely affect the transactions

1268 contemplated hereby or by the Offering Circular or
1269 the validity or enforceability of the Bonds, the
1270 Indenture, the Agreement or this Bond Purchase
1272 Agreement; and (iv) since September 30, 1985, there
1273 has not been any material adverse change in the
1274 financial condition of the Company, whether or not
1276 arising from transactions in the ordinary course of
1277 business, other than as set forth or incorporated by
1277 reference in Appendix A to the Offering Circular (the
1278 "Appendix"), and since such date, except in the
1279 ordinary course of business, the Company has not
1280 incurred any material contingent liability, except as
1280 set forth or incorporated by reference in the
1281 Appendix;
1282

1283 (6) A certificate, satisfactory in form and
1283 substance to the Underwriter, of a duly authorized
1284 officer of the Trustee satisfactory to the
1285 Underwriter, dated as of the Closing Date, to the
1286 effect that the Indenture has been duly authorized by
1287 all necessary action on the part of the Trustee, has
1287 been validly executed and delivered by the Trustee
1288 and constitutes a legal, valid and binding obligation
1289 of the Trustee, enforceable against the Trustee in
1290 accordance with its terms, except as enforceability
1291 may be limited by bankruptcy, insolvency, or other
1292 laws affecting the enforcement of creditors' rights
1293 generally and except that the availability of the
1293 remedy of specific performance or other equitable
1294 relief is subject to the discretion of the court
1295 before which any proceeding therefor may be brought;
1297

1298 (7) A certificate, satisfactory in form and
1299 substance to the Underwriter, of a duly authorized
1300 officer of the Co-Trustee satisfactory to the
1300 Underwriter, dated as of the Closing Date, to the
1301 effect that the Indenture has been duly authorized by
1302 all necessary action on the part of the Co-Trustee,
1303 has been validly executed and delivered by the
1304 Co-Trustee and constitutes a legal, valid and binding
1304 obligation of the Co-Trustee, enforceable against the
1305 co-Trustee in accordance with its terms, except as
1306 enforceability may be limited by bankruptcy,
1307 insolvency or other laws affecting the enforcement of
1308 creditors' rights generally and except that the
1309 availability of the remedy of specific performance or
1309 other equitable relief is subject to the discretion
1310 of the court before which any proceeding therefor may
1311 be brought;

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1313 (8) Executed copies of the Indenture and the
1314 Agreement;
1315

1316 (9) Certified copies of the ordinances and
1316 resolutions of the Issuer authorizing the execution
1317 and delivery of the Bonds, the Indenture, the
1319 Agreement and this Bond Purchase Agreement and
1320 approving the Offering Circular;
1321

1322 (10) Certified copies of the resolutions and
1322 ordinances of the Company authorizing the execution
1323 and delivery of the Agreement and this Bond Purchase
1325 Agreement and approving the Offering Circular;
1327

1328 (11) A specimen Bond;
1329

1330 (12) Notification from Moody's that the Bonds
1331 are rated by it at least Aal;
1332

1333 (13) A letter of Deloitte Haskins & Sells, dated
1333 the Closing Date, addressed to the Underwriter,
1334 confirming that they are independent public
1335 accountants within the meaning of the Securities Act
1336 of 1933, as amended, and the applicable published
1337 rules and regulations of the Securities and Exchange
1338 Commission thereunder, and stating in effect that:
1339

1340 (i) in their opinion the financial
1340 statements set forth in the Appendix to the
1341 Offering Circular or incorporated by reference
1342 therein and covered by their reports comply as
1343 to form in all material respects with the
1343 applicable accounting requirements of the
1344 Securities Exchange Act of 1934, as amended, and
1345 the published rules and regulations of the
1346 Securities and Exchange Commission thereunder;
1347

1348 (ii) on the basis of a reading of the
1348 latest available unaudited consolidated
1349 financial statements of the Company, inquiries
1350 of certain officials of the Company responsible
1351 for financial and accounting matters, a reading
1351 of the minutes of the meeting of the
1352 stockholders, the Board of Directors and the
1353 Executive, Financial and Audit Committees of the
1354 Company since December 31, 1984 and other
1354 specified procedures, nothing has come to their
1355 attention which caused them to believe that (a)
1356 as of the date of the latest available unaudited

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1357 consolidated financial statements prepared by
1358 the Company there was any change in the capital
1359 stock or long-term debt of the Company and its
1359 consolidated subsidiaries or any decrease in its
1360 consolidated subsidiaries, as compared with
1361 amounts shown on the December 31, 1984 balance
1362 sheet of the Company and its consolidated
1362 subsidiaries covered by the opinion of
1363 independent public accounts, or (b) for the
1364 period from January 1, 1985 to the date of the
1365 latest available unaudited consolidated
1365 financial statements prepared by the Company,
1366 there were any decreases, as compared with the
1367 corresponding period in the proceeding year in
1368 total consolidated operating revenues or net
1368 income, or (c) at a specified date within five
1369 business days of the Closing Date there was any
1370 change in the capital stock or long-term debt of
1371 the Company and its consolidated subsidiaries as
1372 compared with amounts shown on the December 31,
1372 1984 balance sheet of the Company and its
1373 consolidated subsidiaries covered by the opinion
1374 of independent public accountants, except in all
1375 instances under clauses (a), (b) or (c) for
1376 changes or decreases which the Offering Circular
1376 discloses have occurred or may occur or as
1377 described in such letter; and
1379

1380 (iii) they have compared specified amounts
1380 therein under the captions "Five Year Summary of
1381 Selected Financial Data" and "Capitalization"
1382 (including the respective notes thereto), in
1383 each case to the extent that such amounts are
1384 derived from the accounting records of the
1384 Company or are derived from such records by
1385 analysis or computation, with the results
1386 obtained from inquiries, reading of such general
1387 accounting records and other procedures
1387 specified in such letter, and have found such
1388 amounts to be in agreement with such results,
1389 except as otherwise specified in such letter;
1390 and
1391

1392 (14) Such additional certificates and other
1393 documents as the Underwriter or Bond Counsel may
1394 reasonably request to evidence performance of or
1395 compliance with the provisions hereof and the
1396 transactions contemplated hereby and by the Offering
1396 Circular, all such certificates and other documents

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1398 to be satisfactory in form and substance to the
1399 Underwriter.
1400
1400

1401 Section 14. All of the representations, warranties
1402 and agreements of the Issuer and the Company shall remain
1404 operative and in full force and effect, regardless of any
1405 investigations made by the Underwriter on its behalf and shall
1406 survive delivery of the Bonds to the Underwriter.
1408
1408

1409 Section 15. Whether or not the Bonds are sold by the
1409 Issuer to the Underwriter (unless such sale be prevented at the
1410 Closing Time by the Underwriter's default), the Underwriter
1411 shall be under no obligation to pay any expenses incident to
1412 the performance of the obligations of the Issuer hereunder.
1413 All expenses and costs to effect the authorization,
1414 preparation, issuance, delivery and sale of the Bonds
1415 (including, without limitation, the fees and disbursements of
1416 King & Spalding, Bond Counsel and Counsel for the Underwriter,
1418 and in connection with the qualification of the Bonds for sale
1420 under the securities or "Blue Sky" laws of various
1421 jurisdictions and the preparation of the "Blue Sky" Memoranda,
1423 for the preparation, printing, photocopying, execution, and
1424 delivery of the Bonds, the Offering Circular, the Indenture,
1425 the Agreement and all other agreements and documents
1426 contemplated hereby) shall be paid by the Issuer out of the
1427 proceeds of the Bonds, or if the Bonds are not sold by the
1428 Issuer to the Underwriter (unless such sale be prevented at the
1429 Closing Time by the Underwriter's default), or if the Company
1431 shall otherwise direct, shall be paid by the Company.
1433
1433

1434 Section 16. Any notice or other communication to be
1435 given to the Issuer under this Bond Purchase Agreement shall be
1436 given by mailing or delivering the same in writing to the City
1437 of Fort Wayne, Indiana, Attention: Fort Wayne Economic
1438 Development Commission, One Main Street, Fort Wayne, Indiana
1439 46802; any notice or other communication to be given to the
1440 Underwriter under this Bond Purchase Agreement shall be given
1441 by mailing or delivering the same to Morgan Stanley & Co.
1442 Incorporated, Attention: Tax Exempt Securities Department,
1443 1251 Avenue of the Americas, New York, New York 10020; and any
1444 notice or other communication to be given to the Company under
1445 this Bond Purchase Agreement shall be given by mailing or
1446 delivering the same to General Motors Corporation, Attention:
1448 Treasurer, 767 Fifth Avenue, New York, New York 10153.
1450
1450

1451 Section 17. This Bond Purchase Agreement shall be
1452 governed by the laws of the State of New York. This Bond
1454 Purchase Agreement shall not be assigned by the Issuer or the
1455 Company. This Bond Purchase Agreement will inure to the
1457 benefit of and be binding upon the parties and their successors
1458 and assigns and will not confer any rights upon any other
1459 person. The term "successors and assigns" shall not include
1460 any purchaser of any of the Bonds from the Underwriter merely
1461 because of such purchase.

1462

1462

1463 Section 18. This Bond Purchase Agreement may be
1463 executed in several counterparts, each of which shall be
1464 regarded as an original and all of which shall constitute one
1465 and the same document.

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1467 If this Bond Purchase Agreement is satisfactory to
1467 you, please so indicate by signing the acceptance at the foot
1468 of a counterpart of this Bond Purchase Agreement and returning
1469 such counterpart to the undersigned. Upon receipt by the
1471 undersigned of such executed counterpart, this Bond Purchase
1472 Agreement will become binding among us in accordance with its
1473 terms.

1474

1477

Very truly yours,

1478

1479

MORGAN STANLEY & CO. INCORPORATED

1480

1480

1480

1481

By: _____
Authorized Representative

1482

1483

1483

1484 Accepted as of the date

1485 first above written.

1486

1486

1488 CITY OF FORT WAYNE, INDIANA

1489

1489

1489

1490 By: _____

1491 Mayor

1492

1492

1493 GENERAL MOTORS CORPORATION

1494

1494

1495 By: Leon J. Krain _____

1496 Treasurer

1497

1497

1498 By: _____

1499 Attorney-in-Fact

1500 Pursuant to Power of

1501 Attorney

1503

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EXHIBIT A
TO
BOND PURCHASE AGREEMENT

DESCRIPTION OF OPINION OF COUNSEL FOR THE ISSUER

The opinion of Grotrian & Boxberger, Fort Wayne, Indiana, Counsel to the Issuer, required by Section 13(b)(2) of the Bond Purchase Agreement, shall be dated the Closing Date, shall be satisfactory in form and substance to the Underwriter, and shall be substantially to the effect that:

(1) The Issuer is a municipality and political subdivision of the State of Indiana (the "State") and has all requisite power and authority under the Constitution and laws of the State, including particularly the provisions of Indiana Code, Section 36-7-12-1, et seq., as amended (the "Act"), (i) to issue, sell and deliver the Bonds, (ii) to lend the proceeds of the sale of the Bonds to the Company to enable the Company to acquire, construct and install the Project, (iii) to enter into the Indenture, the Agreement and the Bond Purchase Agreement, and (iv) to carry out the transactions contemplated by the Bonds, the Indenture, the Agreement and the Bond Purchase Agreement.

(2) The Agreement, the Bond Purchase Agreement and the Indenture have been duly authorized by all necessary action on the part of the Issuer, have been executed and delivered and, assuming the due authorization, execution and delivery of the Agreement, the Bond Purchase Agreement and the Indenture by the parties other than the Issuer, constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and except that the availability of the remedy of specific performance or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(3) The Bonds have been authorized and executed by the Issuer and delivered to the Trustee for authentication, have been authenticated by the Trustee and are legal, valid and binding limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except as enforcement thereof may be limited

1566 by bankruptcy, insolvency or other laws affecting the
1567 enforcement of creditors' rights generally and except that
1568 the availability of the remedy of specific performance or
1569 other equitable relief is subject to the discretion of the
1570 court before which any proceeding therefor may be brought,
1571 and are entitled to the benefits and security of the
1572 Indenture, the Agreement and the Act.
1573

1574 (4) The issuance and sale of the Bonds, the
1575 execution and delivery by the Issuer of the Agreement, the
1576 Bond Purchase Agreement and the Indenture and the
1577 compliance by the Issuer with all the provisions of each
1578 thereof and of the Bonds will not conflict with, or
1579 constitute on the part of the Issuer a violation of,
1580 breach of or default under, or result in the creation of
1581 any lien or encumbrance upon any property of the Issuer
1582 (other than as contemplated by the Indenture) under the
1583 provisions of any agreement or other instrument to which
1584 the Issuer is a party or by which it may be bound, or any
1585 license, judgment, decree, law, statute, order, rule or
1586 regulation of any court or governmental agency or body
1587 having jurisdiction over the Issuer or any of its
1588 activities or properties.
1589

1590 (5) All consents, approvals and authorizations of
1591 any governmental authority required to be obtained in
1592 connection with the authorization, execution, delivery and
1593 performance of the Agreement, the Bond Purchase Agreement
1594 and the Indenture, the issuance, sale and delivery of the
1595 Bonds, and the consummation of the transactions
1596 contemplated by each such agreement or instrument have
1597 been obtained and are in full force and effect, and the
1598 Issuer has complied with all applicable provisions of law
1599 requiring any designation, declaration, filing,
1600 registration or qualification with any governmental
1601 authority in connection with any such offer, issue, sale,
1602 execution, or delivery; provided, however, that no opinion
1603 is expressed herein with respect to compliance by the
1604 Issuer with the securities or "blue sky" laws of any state
1605 or jurisdiction.
1606

1607 (6) The Issuer has not created, or permitted to be
1608 created, any lien on or security interest in the Agreement
1609 or the Pledged Revenues or any amounts on deposit in the
1610 Bond Fund or the Project Fund (except as contemplated by
1611 the Agreement and the Indenture).
1612

1613 (7) All actions taken by the Issuer in connection
1614 with the Bonds, the Agreement, the Bond Purchase
1510
1511
1512

1615 Agreement, the Indenture and the Bonds are legal and
1616 valid in all respects, and none of the proceedings or
1617 actions taken with respect to any of the foregoing have
1618 been repealed, revoked or rescinded.

1619
1620 (8) There are no actions, proceedings, inquiries, or
1621 investigations pending, or to the best of my knowledge,
1622 threatened against the Issuer in any court or before any
1623 governmental authority, arbitration board or tribunal,
1624 which, if decided adversely to the Issuer, would
1625 materially and adversely affect the transactions
1626 contemplated by the Bond Purchase Agreement or in any way
1627 adversely affect the validity or enforceability of the
1628 Bonds, the Bond Purchase Agreement, the Agreement or the
1629 Indenture, or any agreement or instrument to which the
1630 Issuer is a party or by which it is bound and which is
1631 used or contemplated for use in connection with the
1632 transactions contemplated by the Bond Purchase Agreement.

1633
1634 (9) I have considered the information contained in
1635 the Offering Circular under the caption "THE ISSUERS," and
1636 insofar as such section relates to the Issuer, nothing has
1637 come to my attention which leads me to believe that the
1638 Offering Circular contains any untrue statement of a
1639 material fact or omits to state a material fact necessary
1640 in order to make the statements made therein, in light of
1641 the circumstances under which they were made, not
1642 misleading.

1643
1644 (10) Pursuant to the terms of the Indenture, the
1645 Issuer has granted to the Trustee, as security for the
1646 Bonds, a security interest in the Agreement, the Pledged
1647 Revenues and all amounts on deposit from time to time in
1648 the Bond Fund and the Project Fund (the "Security
1649 Interest"). The Security Interest constitutes a valid
1650 "security interest" as that term is defined in the Uniform
1651 Commercial Code of Indiana, the Security Interest has been
1652 perfected as required by the Uniform Commercial Code of
1653 Indiana, and there are no other properly indexed financing
1654 statements or liens of record affecting the property in
1655 which the Security Interest has been granted. The
1656 Security Interest will continue in full force and effect
1657 as a perfected security interest for the benefit of the
1658 bondholders for a period of five years from the filing
1659 thereof. The effectiveness of the Financing Statement
1660 filed to perfect the Security Interest will lapse upon the
1661 expiration of five years from the date of filing unless
1662 appropriate continuation statements are filed within six
1663 months prior to such lapse.

EXHIBIT B
TO
BOND PURCHASE AGREEMENT

DESCRIPTION OF CLOSING OPINION OF BOND COUNSEL

The opinion of King & Spalding, Atlanta, Georgia, Bond Counsel, required by Section 13(b)(2) of the Bond Purchase Agreement, shall be dated the Closing Date, shall be satisfactory in form and substance to the Underwriter, and shall be substantially to the effect that:

(1) The Issuer is a municipality and political subdivision of the State of Indiana (the "State") and has all requisite power and authority under the Constitution and laws of the State, including particularly the provisions of Indiana Code, Section 36-7-12-1, et seq., as amended (the "Act"), (i) to issue, sell and deliver the Bonds, (ii) to lend the proceeds of the sale of the Bonds to the Company to enable the Company to acquire, construct and install the Project, (iii) to enter into the Indenture and the Agreement, and (iv) to carry out the transactions contemplated by the Bonds, the Indenture and the Agreement.

(2) The Indenture and the Agreement have been duly authorized by all necessary action on the part of the Issuer, and assuming the due authorization, execution and delivery of the Indenture and the Agreement by the parties thereto other than the Issuer, the Indenture and the Agreement constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and except that the availability of the remedy of specific performance or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(3) The Bonds have been authorized and executed by the Issuer and delivered to the Trustee for authentication, and assuming that the Bonds have been duly authenticated by the Trustee, are legal, valid and binding

1728 limited obligations of the Issuer, enforceable against the
1729 Issuer in accordance with their terms, except as
1730 enforcement thereof may be limited by bankruptcy,
1731 insolvency or other laws affecting the enforcement of
1732 creditors' rights generally and except that the
1733 availability of the remedy of specific performance or
1734 other equitable relief is subject to the discretion of the
1735 court before which any proceeding therefor may be brought,
1736 and are entitled to the benefits and security of the
1737 Indenture, the Agreement and the Act.
1738

1739 (4) All of the rights, title and interest of the
1740 Issuer in the Agreement (except certain rights reserved by
1741 the Issuer under the terms of the Indenture), the Pledged
1742 Revenues and all amounts on deposit from time to time in
1743 the Bond Fund and the Project Fund have been validly
1744 assigned and pledged to the Trustee and the Co-Trustee
1745 under the Indenture.
1746

1747 (5) The statements in the Offering Circular under
1748 the headings "The Bonds", "The Financing Agreements" and
1749 "The Indentures", insofar as such statements constitute
1750 summaries of the Bonds, the Indenture and the Agreement,
1751 constitute fair summaries of the portions of the Bonds and
1752 said documents purported to be summarized, but no further
1753 opinion is expressed herein with respect to the accuracy,
1754 completeness or sufficiency of the Offering Circular nor
1755 is any opinion expressed with respect to compliance by the
1756 Issuer, the Company, the Trustee or the Underwriter or any
1757 other person with any Federal or State statute, regulation
1758 or ruling with respect to the sale (other than the initial
1759 sale by the Issuer to the Underwriter) or distribution of
1760 the Bonds.
1761

1762 (6) The Bonds constitute "industrial development
1763 bonds" of the character described in Section 3(a)(2) of
1764 the Securities Act of 1933, as amended, and, accordingly,
1765 it is not necessary in connection with the initial
1766 issuance and sale of the Bonds to register the Bonds under
1767 the registration provisions of said Act and it is not
1768 necessary to qualify the Indenture under the Trust
1769 Indenture Act of 1939, as amended.
1770

1771 (7) Under existing statutes, regulations, rulings
1772 and court decisions, the interest payable on the Bonds is
1773 exempt from all present Federal income taxation, subject
1774 to the limitations and conditions described herein.
1674
1675
1676

Under Section 103(b) of the Internal Revenue Code of 1954, as amended (the "Code"), the interest on any Bond will be subject to Federal income taxation for any period during which Bond is held by a person who is a "substantial user" of the Project or a "related person" within the meaning of said Code Section. In addition, the interest on the Bonds may be subject to Federal income taxation in the event that the Company fails to comply during the term of the Bonds with certain requirements of Section 103(b) and Section 103(c) of the Code applicable to the Bonds, including, without limitation, the requirements (i) that substantially of the proceeds of the sale of the Bonds must be expended for qualifying costs of the Project as required by Section 103(b) of the Code, and (ii) that the gross proceeds of the sale of the Bonds (including investment earnings thereon) must be invested, expended and applied in accordance with the investment limitations and rebate requirements set forth in Section 103(c) of the Code. The Company has covenanted in the Agreement to comply during the term of the Bonds with all requirements of Section 103(b) and Section 103(c) of the Code in order to maintain the tax-exempt status of interest on the Bonds.

In rendering the aforesaid opinion, we express no opinion with respect to the taxability of interest on any Bond under Federal law for any period during which such Bond is held by a "substantial user" or a "related person" within the meaning of Section 103(b) of the Code. In addition, we express no opinion as to the taxability of interest on the Bonds under Federal law in the event that the Company fails to comply during the term of the Bonds with any of the applicable requirements of Section 103(b) or Section 103(c) of the Code which are applicable to the Bonds. We also express no opinion on the date hereof with respect to the effect of any conversion of the interest rate on the Bonds on the exemption of interest on the Bonds under Federal law, since such opinion will be dependent on factors that cannot be determined until the date of any such conversion of the interest rate on the Bonds.

We have been advised by the Company that other pollution control revenue bonds (the "Other Pollution Bonds") have been issued, are being issued or are proposed to be issued for the benefit of the Company to finance the costs of the acquisition, construction and installation of

certain other air and water pollution control facilities,
solid waste disposal facilities and related facilities at
the Company's automobile and truck assembly plants located
in New Jersey, New York, Delaware, Wisconsin, Missouri,
Kansas, Texas, Georgia, Ohio, Massachusetts and Michigan.
In rendering the aforesaid opinion, we have relied upon
(1) a representation of the Company that except for the
other Pollution Bonds, there are no other "industrial
development bonds" (as such term is defined in Section
103(b) of the Code, which have been issued, or are
contemplated to be issued, pursuant to Section 103(b) of
the Code, for the benefit of the Company or any related
person, and which (i) were or are to be sold at
substantially the same time as the Bonds, (ii) are or are
to be sold at substantially the same interest rate as the
interest rate on the Bonds, (iii) were or are to be sold
pursuant to a common plan of marketing as the marketing
plan for the Bonds, and (iv) are payable directly or
indirectly by the Company from the source from which the
Bonds are payable and (2) representations of the Company
that the Company has obtained, or will obtain, in
connection with each issue of Other Pollution Bonds, an
opinion of Bond Counsel in each case to the effect that
interest on such Bonds is exempt from present Federal
income taxation and that the proceeds of the sale of such
Bonds will be used to provide "air or water pollution
control facilities" or "solid waste disposal facilities"
within the meaning of Section 103(b)(4) of the Code.

EXHIBIT C
TO
BOND PURCHASE AGREEMENT

DESCRIPTION OF CLOSING OPINION OF
COUNSEL TO COMPANY

The opinion of a Senior Attorney for the Company, which is required by Section 13(b)(2) of the Bond Purchase Agreement, shall be dated the Closing Date, shall be satisfactory in form and substance to the Underwriter, and shall be substantially to the effect that:

(1) The Company is a duly incorporated and validly existing corporation in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to carry on its business and own its property.

(2) The Company is (a) duly authorized to conduct the business now being conducted by it as contemplated by the Offering Circular and (b) is duly qualified and in good standing as a foreign corporation in all jurisdictions wherein the failure to be duly qualified or to maintain good standing would materially adversely affect the condition, financial or otherwise, of the Company.

(3) The Agreement and the Bond Purchase Agreement have been duly authorized by all necessary corporate action on the part of the Company (no action by the shareholders of the Company being required by law, by the Certificate of Incorporation or By-laws of the Company, or otherwise), have been duly executed and delivered by the Company and are legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and except that the availability of the remedy of specific performance or other equitable relief is subject to the discretion of the court before which any proceeding therefor may be brought, and provided further that no opinion is expressed with respect to the enforceability of the provisions of Section 9 of the Bond Purchase Agreement relating to indemnification and contribution.

1914 (4) None of (i) the execution and delivery by the
1915 Company of the Agreement or the Bond Purchase Agreement
1916 (ii) the consummation by the Company of the transactions
1917 contemplated by said agreements, and (iii) the compliance
1918 by the Company with all of the terms of each thereof, will
1919 conflict with, or result in any breach of any of the
1920 provisions of, or constitute a default under, or result in
1921 the creation or imposition of any lien upon any property
1922 of the Company pursuant to (a) the Certificate of
1923 Incorporation or By-laws of the Company, (b) any agreement
1924 or other instrument to which the Company is a party or by
1925 which the Company is bound, or (c) any license, judgment,
1926 decree, order, law, statute, ordinance or governmental
1927 rule or regulation applicable to the Company.
1928

1929 (5) All consents, approvals, and authorizations, if
1930 any, of any governmental authorities required on the part
1931 of the Company in connection with the execution and
1932 delivery by the Company of the Agreement and the Bond
1933 Purchase Agreement and the consummation by the Company of
1934 the transactions contemplated thereby have been duly
1935 obtained, and the Company has complied with all applicable
1936 provisions of law, if any, requiring any designation,
1937 declaration, filing, registration, or qualification with
1938 any governmental authority in connection with such
1939 execution, delivery, and consummation; provided, however,
1940 that no opinion is expressed herein with respect to
1941 compliance by the Company with the securities or "blue
1942 sky" laws of any state or other jurisdiction.
1943

1944 (6) There are no actions, proceedings, or
1945 investigations pending or threatened against the Company
1946 in any court or before any governmental authority,
1947 arbitration board or tribunal, which involve the
1948 possibility of materially and adversely affecting the
1949 ability of the Company to carry out the transactions
1950 contemplated by the Agreement or the Bond Purchase
1951 Agreement or which, in any way, would materially and
1952 adversely affect the validity or enforceability of the
1953 Bonds, the Bond Purchase Agreement, the Indenture or the
1954 Agreement or any agreement or instrument to which the
1955 Company is a party or by which it is bound and which is
1956 used or contemplated for use in connection with the
1957 transactions contemplated by the Bond Purchase Agreement.
1958

1959 (7) While I have not undertaken to verify
1960 independently the accuracy, completeness or fairness of
1859
1860
1861

EXHIBIT D

Preliminary Offering Circular Dated October 24, 1985

Four Separate Issues

\$79,200,000*

COMPOSITE ISSUE

POLLUTION CONTROL REVENUE BONDS

(GENERAL MOTORS CORPORATION PROJECTS)

SERIES 1985

Price: 100% (plus accrued interest)

The Bonds of each issue are being issued pursuant to a separate Trust Indenture between each Issuer and a Trustee named herein and are payable from and secured solely by a pledge of payments under a separate Financing Agreement between each Issuer and

GENERAL MOTORS CORPORATION

The Bonds of each issue will bear interest at the rate stated herein under the heading "DESCRIPTION OF ISSUES" from November 1, 1985, to and including October 31, 1988. Thereafter, each issue of Bonds will bear interest at the applicable Adjusted Rate determined as described herein for each three year period from and after November 1, 1988, unless there shall be designated a different Interest Rate Period for any such issue of Bonds, all as more fully described herein.

Owners of Bonds shall have the right to elect to have Bonds purchased on November 1, 1988 and on certain other dates described herein and, under certain circumstances described herein, shall be obligated to tender Bonds for purchase, in each case at a purchase price equal to 100% of the principal amount thereof, as more fully described herein.

The Bonds are subject to mandatory, extraordinary and optional redemption as more fully described herein. See "The Bonds - Redemption of the Bonds."

72 Principal of, and redemption premium, if any, on each
73 issue of Bonds will be payable at the principal corporate trust
74 office of the Paying Agent named herein for such issue and
76 interest thereon will be payable to the registered Owner
77 thereof as of the Record Date by check or draft of the Paying
78 Agent mailed to such registered owner or, at the option of any
79 registered Owner of not less than \$1,000,000 in aggregate
80 principal amount of Bonds of such issue, by wire transfer. The
81 Bonds of each issue are issuable as fully registered Bonds in
81 the denomination of \$5,000 or any integral multiple thereof.

83

84 The Bonds of each issue will be special obligations
84 of the respective Issuers, payable solely from the revenues and
85 other moneys assigned by the Trust Indentures with respect
86 thereto to secure payment of the issues, which include the
87 payments required to be made by General Motors Corporation
88 under the Financing Agreements. The Bonds of each issue do not
89 represent or constitute a debt or pledge of the faith and
90 credit of the respective Issuers or of the States of the
91 respective Issuers or any political subdivisions thereof and
92 will not be secured by an obligation or pledge of any moneys
93 raised by taxation (See "The Issuers" herein).

94

95 In the opinion of Bond Counsel, under existing law
96 and subject to certain conditions described in "Tax Exemption"
97 herein, interest on the Bonds is exempt from Federal income tax
98 and certain State taxes.

99

100 The Bonds of each issue are offered when, as and if
100 issued and received by the Underwriter, subject to approval of
101 legality by King & Spalding, Atlanta, Georgia, Bond Counsel
102 with respect to the DeKalb County, Georgia Bonds and the Fort
104 Wayne, Indiana Bonds, Gaar & Bell, Kansas City, Missouri, Bond
105 Counsel with respect to the Kansas City, Kansas Bonds, and
106 McCall, Parkhurst & Horton, Dallas, Texas, Bond Counsel with
107 respect to the Texas Bonds, and certain other conditions. It
108 is expected that the Bonds of each issue in definitive form
109 will be available for delivery in New York, New York on or
110 about November 14, 1985.

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114

MORGAN STANLEY & COMPANY INCORPORATED

115

116

The date of this Offering Circular is November __, 1985

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118

* Amount subject to change.

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DESCRIPTION OF ISSUES

\$13,000,000* Development Authority of DeKalb County (Georgia) (the "DeKalb County, Georgia Issuer"); Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985; Due: November 1, 2003 (the "DeKalb County, Georgia Bonds"); Initial Interest Rate: ____%.

\$31,000,000* City of Fort Wayne, Indiana; (the "Fort Wayne, Indiana Issuer") Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985; Due: November 1, 2005 (the "Fort Wayne, Indiana Bonds"); Initial Interest Rate: ____%.

\$26,000,000* Kansas City, Kansas (the "Kansas City, Kansas Issuer"); Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985; Due: November 1, 2005 (the "Kansas City, Kansas Bonds"); Initial Interest Rate: ____%.

\$9,200,000* Trinity River Authority of Texas (the "Texas Issuer"); Pollution Control Revenue Bonds (General Motors Corporation Project), Series 1985; Due: November 1, 2000 (the "Texas Bonds"); Initial Interest Rate: ____%.

Amounts subject to change.

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Company:

General Motors Corporation, 767 Fifth Avenue, New York, New York 10153.

203 Bond Counsel:

With respect to the DeKalb County, Georgia Bonds and Fort Wayne, Indiana Bonds, King & Spalding, Atlanta, Georgia; with respect to the Kansas City, Kansas Bonds, Gaar & Bell, Kansas City, Missouri; and with respect to the Texas Bonds, McCall, Parkhurst & Horton, Dallas, Texas.

31 IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER
32 MAY MAKE OVER-ALLOTMENTS OF THE BONDS
33

34
35 \$79,200,000*
36 COMPOSITE ISSUE
37 POLLUTION CONTROL REVENUE BONDS
38 (GENERAL MOTORS CORPORATION PROJECTS),
39 SERIES 1985
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44 INTRODUCTORY STATEMENT
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50 This Offering Circular is furnished in connection
51 with the offering and sale of four separate issues of pollution
52 control revenue bonds (collectively, the "Bonds") each in the
53 aggregate principal amount set forth in the Description of
54 Issues. The Bonds are being issued to finance the costs of the
55 acquisition, construction and installation of certain air and
56 water pollution control facilities, solid waste disposal
57 facilities and related facilities (individually, a "Project"
58 and collectively, the "Projects") at the automobile or truck
59 and bus assembly plants (individually, a "Plant" and
60 collectively, the "Plants") owned by General Motors Corporation
61 (the "Company") in Doraville, Georgia; Fort Wayne, Indiana;
62 Kansas City, Kansas; and Arlington, Texas. See "THE PROJECTS".
63
64

65 Each issue of Bonds will be separately issued and
66 secured under a separate Trust Indenture dated as of
67 November 1, 1985 (individually, the "Indenture" and
68 collectively, the "Indentures") between the Issuer of such
69 Bonds described in the Description of Issues (individually, a
70 "Issuer" and collectively, the "Issuers") and the Trustee for
71 such Bonds named under the caption "NAMES OF PARTICIPANTS"
72 (individually, a "Trustee" and, collectively, the "Trustee").
73 There are co-trustees with respect to certain issues of Bonds,
74 as described under the caption "NAMES OF PARTICIPANTS".
75
76

77 The DeKalb County, Georgia Bonds and the Fort Wayne,
78 Indiana Bonds will be payable from and secured solely by a
79 pledge of payments under separate Loan Agreements between
80 General Motors and the respective Issuers, dated as of
81 November 1, 1985 (the "DeKalb County, Georgia Loan Agreement")
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124 *Amount subject to change.
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84 and the "Fort Wayne, Indiana Loan Agreement", respectively, and
85 collectively, the "Loan Agreements"). The Kansas City, Kansas
86 Bonds will be payable from and secured solely by a pledge of
87 rental payments under a Lease Agreement between General Motors
88 and the Kansas City, Kansas Issuer, dated as of November 1,
89 1985 (the "Kansas City, Kansas Lease Agreement"). The Kansas
90 City, Kansas Bonds are unconditionally guaranteed by General
91 Motors under a Guaranty Agreement dated as of November 1, 1985
92 between General Motors and the Trustee (the "Guaranty"). The
93 Texas Bonds will be payable from and secured solely by pledge
94 of purchase price payments under an Installment Sale Agreement
95 between General Motors and the Texas Issuer, dated as of
96 November 1, 1985 (the "Texas Sale Agreement"). The Loan
97 Agreements, the Kansas City, Kansas Lease Agreement and the
98 Texas Sale Agreement are individually referred to herein as a
99 "Financing Agreement" and collectively referred to herein as
101 the "Financing Agreements".

108
109 The Bonds of each issue contain substantially the
110 same terms and provisions as, but are entirely separate from
111 the Bonds of the other issues. The Bonds of one issue are not
112 payable from or entitled to any revenues or payments delivered
112 to the Trustee in respect of the Bonds of the other issues.
113 Each issue is separately secured under the related Indenture.
115 The amounts pledged for the payment of each issue will be held
116 by the Trustee in a separate Bond Fund established under the
117 related Indenture. The mechanisms for adjusting the Adjusted
118 Rate (as hereinafter defined) and for conversion to a Fixed
119 Rate (as hereinafter defined) may result in a rate of interest
120 for the Bonds of one issue different from that of the Bonds of
121 all or any other issues. Redemption of the Bonds of one issue
122 may be made in the manner described below without redemption of
123 the Bonds of all or any other issues, and a default in respect
124 of one issue will not in and of itself constitute a default in
125 respect of any other issue; however, the same occurrence may
126 constitute a default with respect to each issue of Bonds.

128
129 Morgan Stanley & Company Incorporated (the
130 "Underwriter") has agreed to purchase the Bonds at a purchase
131 price of ____% of the principal amount thereof, plus accrued
132 interest. The Bond Purchase Agreements with respect to each
133 issue provide that the obligations of the Underwriter are
134 subject to certain conditions precedent and that the
135 Underwriter will be obligated to purchase all of the Bonds of
136 an issue if any of the Bonds of such issue are purchased. The
137 initial public offering price set forth on the cover of this
138 Offering Circular and concessions in transactions with
139 securities dealers may be changed by the Underwriter. The
140 Bonds may be offered and sold to certain dealers (including
141 dealers depositing such Bonds into investment trust accounts or
142 funds) and others at prices lower than the initial public

143 offering price. General Motors has agreed to indemnify the
144 Underwriter against certain civil liabilities. This Offering
145 Circular has been prepared by General Motors for use by the
146 Underwriter in the offering.

147
148 Brief descriptions of the Issuers, the Projects, the
149 Bonds, the Indentures and the Financing Agreements are included
150 in this Offering Circular and information concerning General
151 Motors is contained in Appendix A hereto. Such descriptions
152 and information do not purport to be comprehensive or
153 definitive. The descriptions and summaries herein of the
154 Indentures and the Financing Agreements are qualified in their
155 entirety by reference to such documents, which are available
156 for inspection at the principal corporate trust office of the
157 Trustee. During the period of the offering, copies of such
158 documents may be obtained from the Underwriter.

159
160 All references to the Bonds are qualified in their
161 entirety by the definitive forms thereof and by the information
162 with respect thereto included in the aforementioned documents.

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THE ISSUERS

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167 The four separate Issuers are described under the
168 caption "DESCRIPTION OF ISSUES". Each Issuer is authorized
169 under the laws of its State to issue its issue of Bonds for the
170 purpose of financing the related Project and to enter into the
171 related Financing Agreement and related Indenture. Each issue
172 of Bonds will be special limited obligations of the Issuer, and
173 will not constitute or give rise to a debt or pledge of the
174 general credit or taxing power of its State or any political
176 subdivision thereof, and will not be secured by an obligation
177 or pledge of any moneys raised by taxation.

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THE PROJECTS

181

182 Each of the Projects consists of the acquisition,
183 construction and installation of pollution control equipment
184 and related facilities at the automobile or truck and bus
184 assembly plants in Doraville, Georgia, Fort Wayne, Indiana,
186 Kansas City, Kansas and Arlington, Texas. The proceeds of each
187 Bond issue will be used as follows:

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	<u>Georgia</u>	<u>Kansas</u>
193		
194		
195 Project Costs	\$	\$
196 Issuance Costs		
197 Underwriter's		
198 Discount		
199 Total Bond		
200 Proceeds	<u>\$13,000,000</u>	<u>\$26,000,000</u>

	<u>Indiana</u>	<u>Texas</u>
203		
204		
205 Project Costs	\$	\$
206 Issuance Costs		
207 Underwriter's		
208 Discount		
209 Total Bond		
210 Proceeds	<u>\$31,000,000</u>	<u>\$ 9,200,000</u>

THE BONDS

General

Each issue of Bonds will be independent of the others, and a default in respect of one of the issues will not of itself constitute a default with respect to any other issue; however, the same occurrence may constitute a default with respect to each issue of Bonds. The issues contain substantially the same terms and provisions and the following is a summary of certain provisions of the issues (except where specifically stated otherwise). Reference is hereby made to the respective Bonds and the respective Indentures in their entirety for the detailed provisions of the Bonds.

The Bonds of each issue shall be issued as fully registered Bonds without coupons in denominations of \$5,000 each or any integral multiple thereof.

The Bonds of each issue as originally issued hereunder shall be dated November 1, 1985. The Bonds of each issue will bear interest from November 1, 1985 to and including October 31, 1988, at the rate stated herein under the caption "DESCRIPTION OF ISSUES". Thereafter, each issue of Bonds will bear interest at the applicable Adjusted Rate for each three year period from and after November 1, 1988, unless General Motors shall designate a different Interest Rate Period for any such issue of Bonds. The Bonds of each issue will mature on the date shown under the caption "DESCRIPTION OF ISSUES". Any

248 owner of the Bonds has the option of tendering the Bonds to the
249 Tender Agent for purchase at certain times and, under certain
250 circumstances described herein, has an obligation to tender the
251 Bonds to the Tender agent for purchase in accordance with the
252 provisions of the Indentures as set forth under "THE BONDS -
253 Purchase of Bonds" below.

255
256 Interest on each issue of Bonds shall be payable
256 initially on May 1, 1986 and on each November 1 and May 1
257 thereafter unless another Interest Payment Date is applicable
258 under the terms of the Indentures. Thereafter, interest on
259 each issue of Bonds shall be paid in arrears on each Interest
260 Payment Date. Prior to Fixed Rate Conversion and during any
261 Interest Rate Period other than a Long Rate Period, interest
262 accrued on an issue of Bonds during such period shall be
265 computed on the basis of a 365 or 366-day year, as applicable,
266 for the number of days actually elapsed. During a Long Rate
267 Period and on and after the Fixed Rate Conversion Date,
268 interest accrued on an issue of Bonds during such period shall
268 be computed on the basis of a 360-day year, consisting of
269 twelve thirty-day months.

270
271 The principal of and the redemption premium (if any)
272 and the interest on the Bonds of each issue shall be payable in
272 lawful money of the United States of America. The principal of
273 and redemption premium (if any) on Bonds of each issue shall be
274 payable at the Principal Office of the Paying Agent upon the
275 presentation and surrender of the Bonds as the same become due
276 and payable. Subject to the provisions of the next paragraph,
277 the interest on each issue of Bonds shall be paid by check
278 drawn upon the Paying Agent and mailed to the persons in whose
279 names the Bonds are registered on the registration books
280 maintained by the Bond Registrar at the close of business on
281 the Record Date next preceding each Interest Payment Date.

283
284 A holder of \$1,000,000 or more in aggregate principal
285 amount of Bonds of an issue may submit to the Trustee or, with
286 respect to the Texas Bonds, the Paying Agent not less than
288 fifteen days before an Interest Payment Date a written notice
289 that interest on such Bonds shall be payable by wire transfer
290 to such holder (which notice may provide that it will remain in
291 effect until changed or revoked); provided, however, that if
292 the duration of any Interest Rate Period is less than fifteen
293 days, a holder of Bonds of an issue in an aggregate principal
294 amount of \$1,000,000 or more may submit such notice to the
295 Trustee or, with respect to the Texas Bonds, the Paying Agent
296 by 11:00 a.m., New York City time, on the Business Day
297 immediately preceding the Interest Payment Date.

298
299 If any payment of interest or principal or redemption
300 premium on an issue of Bonds is due on a date that is not a

300 Business Day, payment shall be made on the next succeeding
301 Business Day with the same force and effect as if made on the
302 date which is fixed for such payment, and interest shall accrue
303 based on the Schedule contained on page 12 herein.

305

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306 Definitions

307

308 "Adjusted Rate" means the rate of interest payable on
309 each issue of Bonds prior to Fixed Rate Conversion, determined
309 for each Interest Rate Period as herein described. See "THE
310 BONDS - Interest Rate Periods".

312

313 "Business Day" means any day on which banks located
314 in the cities in which the principal offices of the Trustee,
315 the Tender Agent and the Remarketing Agent are located are not
316 required or authorized to remain closed and on which the New
317 York Stock Exchange is not closed.

318

319 "Daily Rate" means the rate of interest borne by the
319 related issue of Bonds in any Daily Rate Period.

321

322 "Daily Rate Period" means an Interest Rate Period
323 during which the rate of interest borne by the related issue of
323 Bonds is adjusted daily as described herein. See "THE BONDS -
324 Interest Rate Periods".

326

327 "Fixed Rate" means the rate of interest borne by the
327 related issue of Bonds after Fixed Rate Conversion through
328 maturity determined as described herein.

330

331 "Fixed Rate Conversion" means the conversion of the
332 interest rate on an issue of Bonds to the Fixed Rate as
332 described herein.

334

335 "Fixed Rate Conversion Date" means the date upon
336 which an issue of Bonds begins to bear interest at the Fixed
336 Rate.

337

338 "Interest Rate Period" means the interval from and
339 including the Rate Adjustment Date to but excluding the next
340 subsequent Rate Adjustment Date, and may be a Daily, Weekly,
341 Monthly, Quarterly or Long Rate Period, except that the first
342 Interest Rate Period shall be the period from November 1, 1985
343 to and including October 31, 1988.

344

345 "Long Rate" means the rate of interest borne by the
345 related issue of Bonds in any Long Rate Period.

347

348 "Long Rate Period" means an Interest Rate Period
349 equal to six months or any multiple of six months. See "THE
350 BONDS - Interest Rate Periods".

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352 "Mandatory Tender Date" means any date on which the
352 related issue of Bonds shall be subject to mandatory tender for
353 purchase pursuant to the Indenture. See "THE BONDS - Purchase
354 of Bonds".

356
357 "Minimum Rate" means the rate, to be determined by
358 the Rate-Setting Agent with respect to any Quarterly Rate
359 Period or Long Rate Period or Fixed Rate Conversion, below
360 which the Adjusted Rate for such Quarterly Rate Period or Long
361 Rate Period or Fixed Rate upon Fixed Rate Conversion may not
362 be established.

363
364 "Monthly Rate" means the rate of interest borne by
365 the related issue of the Bonds in any Monthly Rate Period.

366
367 "Monthly Rate Period" means an Interest Rate Period
368 during which the rate of interest borne by the related issue of
368 Bonds is adjusted monthly as described herein. See - "THE
369 BONDS - Interest Rate Periods".

371
372 "Notice of Period Adjustment Date" means the notice
373 distributed to the Notice Parties and to the bondholders of a
374 Period Adjustment Date.

375
376 "Notice Parties" means the Issuer (and, with respect
377 to the Texas Bonds, the Issuer Representative), the Trustee,
378 any Co-Trustee, the Remarketing Agent, the Tender Agent, the
380 Company, the Bond Registrar, any Co-Bond Registrar, the Paying
381 Agent, any Co-Paying Agent and the Rate-Setting Agent,
382 provided, however, that with respect to any party which is
383 giving or sending a required notice hereunder, "Notice Parties"
384 shall not include the party giving or sending such notice.

385
386 "Owner Election Notice" means a written instruction
387 of the owner of a Bond of an issue, conforming to the
387 requirements of the related Indenture, delivered to the Tender
388 Agent on or prior to the date upon which such Bond is subject
389 to mandatory tender for purchase or to Fixed Rate Conversion,
390 evidencing such owner's election to remain the owner of such
391 Bond subsequent to such the Mandatory Tender Date.

393
394 "Period Adjustment Date" means the date on which an
395 Interest Rate Period is adjusted.

396
397 "Purchase Date" means (i) the Business Day designated
398 by the owner of a Bond in a Tender Notice as the date for
399 purchase by the Tender Agent of such Bond and (ii) any
400 Mandatory Tender Date, as described herein. See "THE BONDS -
401 Interest Rate Periods" and "Purchase of Bonds".

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"Purchase Price" means an amount equal to the principal amount of any Bond tendered or deemed tendered pursuant to an Indenture, plus accrued and unpaid interest thereon to the Purchase Date.

"Quarterly Rate" means the rate of interest borne by the related issue of Bonds in any Quarterly Rate Period.

"Quarterly Rate Period" means an Interest Rate Period during which the rate of interest borne by the related issue of Bonds is adjusted quarterly as described herein. See "THE BONDS - Interest Rate Periods".

"Rate Adjustment Date" means the date on which the interest rate on the related issue of Bonds is changed.

"Rate Determination Date" means the date on which the interest rate on the related issue of Bonds is changed.

"Record Date" means, with respect to any Interest Payment Date in a Long Rate Period or after Fixed Rate Conversion, the close of business on the fifteenth day of the month next preceding such Interest Payment Date, or, if such day shall not be a Business Day, the immediately preceding Business Day, and with respect to any Interest Payment Date in a Daily, Weekly, Monthly or Quarterly Rate Period, the close of business on the Business Day immediately preceding such Interest Payment Date.

"Short Rate Period" means any Interest Rate Period during which the related issue of Bonds bears interest at a Daily Rate, Weekly Rate or Monthly Rate.

"Tender Notice" means written notice of an owner delivered to the Tender Agent or in the case of a Daily Rate Period, irrevocable telephone notice by an owner to the Remarketing Agent, evidencing an owner's election to tender Bonds.

"Undelivered Bonds" means (1) Bonds which are deemed to have been purchased as provided in the related Indenture, or (2) Bonds for which a Tender Notice has been received, but, in either case, which have not been surrendered to the Tender Agent.

"Weekly Rate" means the rate of interest borne by the related issue of Bonds in any Weekly Rate Period.

"Weekly Rate Period" means an Interest Rate Period during which the rate of interest borne by the related issue of Bonds is adjusted weekly as described herein. See "THE BONDS - Interest Rate Periods".

456 Interest Rate Periods

457

458 The Interest Rate Period for each issue of Bonds from
459 November 1, 1985 until further designation by General Motors
460 will be a Long Rate Period consisting of three years and ending
461 on November 1, 1988. Unless Fixed Rate Conversion has
462 occurred, from time to time, General Motors may designate an
463 alternate Interest Rate Period with respect to each issue of
464 Bonds (with respect to the Texas Bonds, confirmed by the Issuer
465 Representative) by giving written notice to the Trustee in
466 accordance with "Notice of Period Adjustment Date" below and
467 (except for a change from one Short Rate Period to another
468 Short Rate Period) by delivering to the Trustee prior to or at
469 the same time as the notice described above an opinion of Bond
470 Counsel to the effect that the designation of the new Interest
471 Rate Period (1) is lawful under the State law governing the
472 issuance of the Bonds of such issue as to which a new Interest
473 Rate Period is being designated and is permitted by the related
474 Indenture, and (2) will not cause the interest payable on such
475 issue of Bonds to become subject to Federal income taxation.
476 No such designation of an alternate Interest Rate Period shall
477 be effective unless such opinion is received. If, at the end
478 of any Interest Rate Period for any issue of Bonds, General
479 Motors does not designate an alternate Interest Rate Period as
480 described above, the next succeeding Interest Rate Period for
481 such issue of Bonds shall be of the same length as the Interest
482 Rate Period then ending; provided, however, no Interest Rate
483 Period shall extend beyond the final maturity date of the Bonds
484 of such issue. The Period Adjustment Date for any Interest
485 Rate Period except a Long Rate Period shall be the final
486 Interest Payment Date for the then effective Interest Rate
487 Period, and for any Long Rate Period, shall be the first
488 calendar day of the month in which the final Interest Payment
489 Date for the then effective Interest Rate Period occurs.

490

491 Upon receipt of such notice from General Motors, the
492 Trustee shall notify each owner of Bonds of such issue in
493 accordance with "Notice of Period Adjustment Date" below of
494 the new Interest Rate Period designated and of the Interest
495 Payment Date, Rate Determination Date, Rate Adjustment Date,
496 Tender Notice, Purchase Date and the Owner Election Notice
497 provision for such Interest Rate Period.

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[illegible]

Interest on each issue of Bonds shall accrue at the Adjusted Rate during each Interest Rate Period from and including the first day of such Interest Rate Period to and including the last day of such Interest Rate Period as described below:

	<u>First Day</u>	<u>Last Day</u>
(i) Short Rate Periods	First Business Day of each month	Day immediately preceding the first Business Day of the next month *
(ii) Quarterly Rate Period	First Business Day of the month	Day immediately preceding the first Business Day of the next Interest Rate Period *
(iii) Long Rate Period	First calendar day of the first month of such Long Rate Period	Last calendar day of the last month of such Long Rate Period

* Provided, if the next Interest Rate Period is a Long Rate Period, interest shall accrue through the last day of the month at the applicable Short Rate or Quarterly Rate, and thereafter to but excluding the first Business Day of the next month at the applicable Long Rate.

Adjusted Rate

For the period from and including November 1, 1985 through the initial Interest Rate Period, the Bonds of each issue shall bear interest at the rates set forth under the caption "DESCRIPTION OF ISSUES". Thereafter, during each Interest Rate Period prior to Fixed Rate Conversion, the Bonds of each issue shall bear interest at the Adjusted Rate determined as set forth below:

(1) The Rate-Setting Agent shall determine the Adjusted Rate for each issue in accordance with the related Indenture on the Rate Determination Date. The Adjusted Rate for each issue shall be that interest rate which, in the determination of the Rate-Setting Agent, would result as nearly as practicable in the market value

of the Bonds of such issue on the Rate Adjustment Date being 100% of the principal amount thereof. The Adjusted Rate so determined (and, with respect to the Texas Bonds, confirmed by the Issuer Representative) shall become effective on the next succeeding Rate Adjustment Date.

(2) For any Quarterly Rate Period or Long Rate Period, the Rate-Setting Agent shall determine the Minimum Rate for each issue of Bonds between the thirty-fifth and thirtieth days prior to the Period Adjustment Date and each Rate Adjustment Date in accordance with paragraph (3) below and shall give notice to the Notice Parties of such Minimum Rate at least thirty days prior to the Period Adjustment Date or such Rate Adjustment Date. The Trustee will give notice to the owners of each issue of Bonds on or prior to the thirtieth day prior to the Period Adjustment Date and each Rate Adjustment Date for a Quarterly Rate Period or Long Rate Period stating (a) such Minimum Rate and the date of the determination thereof, (b) that the interest rate to be borne by all of the Bonds of each issue for such Interest Rate Period will be a rate not less than the Minimum Rate, (c) for any Long Rate Period, the last day on which an owner of a Bond of such issue may give (i) the Owner Election Notice required for Bonds of such issue to be retained by the owner, if the Long Rate Period beginning on the next succeeding Rate Adjustment Date is of a different length than the Long Rate Period then ending, or (ii) the Tender Notice required for Bonds of such issue to be purchased by the Tender Agent on the first day of such Long Rate Period, if the Long Rate Period beginning on the next succeeding Rate Adjustment Date is the same length as the Long Rate Period then ending, and (d) the method by which, after the Rate Determination Date, owners of the Bonds of each issue may ascertain the interest rate to be borne by the Bonds during such Interest Rate Period.

(3) In determining the Adjusted Rate for each issue pursuant to the Indentures, the Rate-Setting Agent shall take into account to the extent applicable (a) market interest rates for comparable securities held by tax-exempt open-end municipal bond funds or other institutional or private investors with substantial portfolios (i) with interest rate adjustment periods and demand purchase options substantially identical to the Bonds, (ii) bearing interest at a variable rate intended to maintain a value equal to 100% of the principal amount thereof, and (iii) rated by a national credit rating agency in the same or a similar category as the Bonds; (b)

614 other financial market rates and indices which may have a
615 bearing on the Adjusted Rate (including but not limited to
616 rates borne by commercial paper, tax-exempt commercial
617 paper, HUD project notes, Treasury Bills, commercial bank
618 prime rates, certificate of deposit rates, federal funds
619 rates, the London Interbank Offered Rate, indices
620 maintained by The Bond Buyer, and other publicly available
621 tax-exempt interest rate indices); (c) general financial
622 market conditions (including current forward supply); and
623 (d) industry, economic or financial conditions which may
625 affect or be relevant to the Bonds. In addition, in
626 determining the Adjusted Rate for the Bonds of each issue,
626 the Rate-Setting Agent shall base such rate on marketing
627 efforts with, or solicitations of proposals from, not less
628 than five institutional or money fund investors or other
629 entities or individuals (other than the Rate-Setting Agent
630 or General Motors) who customarily purchase tax-exempt
631 securities comparable to the Bonds. Whenever the
632 Rate-Setting Agent is required to establish a Minimum Rate
633 pursuant to the Indenture for an issue of Bonds, the
634 Rate-Setting Agent shall establish the Minimum Rate by
635 making a determination of the Adjusted Rate as if such
636 Adjusted Rate were being calculated on such date. The
637 Minimum Rate shall be no less than 80% of the Adjusted
638 Rate determined by the Rate-Setting Agent on the date of
639 such determination.

641
642 (4) The determination by the Rate-Setting Agent of
643 the Adjusted Rate and the Minimum Rate to be borne by the
644 Bonds of an issue shall be conclusive and binding on the
644 owners of the Bonds and the other Notice Parties. Failure
645 by the Trustee to give any notice required under the
646 Indentures, or any defect therein, shall not affect the
647 interest rate borne by the Bonds of an issue or the rights
648 of the owners thereof pursuant to the Indentures to cause
649 the purchase of such Bonds (See "THE BONDS - Purchase of
650 Bonds").

651
652 (5) If for any reason the position of Rate-Setting
653 Agent for any one or more issues is vacant or the
653 Rate-Setting Agent fails to act on the Rate Determination
654 Date for any one or more issues, the Adjusted Rate for
655 such issue or issues shall be determined by the Trustee in
656 accordance with this subparagraph (5). The Trustee shall
657 calculate the Adjusted Rate which rate shall be equal to
658 100%, 97%, 93%, 86%, 80% or 70% of the 11-Bond Index for
659 the most recent period (as published in The Bond Buyer) if
660 the length of such Interest Rate Period equals or exceeds
661 fifteen, thirteen, ten, seven, five or two years,

662 respectively. If the length of such Interest Rate Period
663 is less than two years but greater than six months, the
664 Adjusted rate for such Interest Rate Period shall be 65%
665 of the 11-Bond Index. If the length of such Interest Rate
666 Period is six months or less, the Adjusted Rate for such
667 Interest Rate Period shall be 115% of The Bond Buyer
668 Tax-Exempt Prime Commercial Paper Rate (30 days) for the
669 most recent period.

671
672 (6) Anything in the Indentures or in the Bonds to
673 the contrary notwithstanding, no payment constituting
674 interest on the Bonds of any issue shall be required to
675 the extent that (i) it exceeds 15% per annum, or (ii) the
676 receipt of such payment by the holder of any Bond of any
677 issue would be contrary to the provisions of law
678 applicable to such holder which limit the maximum rate of
679 interest which may be charged or collected by such holder.

680
681 Conversion of Interest Rate on Bonds
682

683 At the option of an Issuer upon the direction of
684 General Motors, the rate of interest payable on the related
684 issue of Bonds shall be permanently converted from an Adjusted
685 Rate to a Fixed Rate until the final maturity date of such
686 issue of Bonds. General Motors may direct an Issuer to convert
689 the interest rate on the related issue of Bonds from an
689 Adjusted Rate to a Fixed Rate without directing a conversion of
690 the interest rate on any other issue of Bonds. The Fixed Rate
691 Conversion Date for an issue of Bonds shall be any Rate
692 Adjustment Date for which the applicable notices described
693 below have been given. After Fixed Rate Conversion, the
694 Interest Payment Dates with respect to the Bonds bearing
695 interest at the Fixed Rate shall be the first day of the
696 seventh month (including the month in which the Fixed Rate
697 Conversion Date occurs) after the Fixed Rate Conversion Date,
698 and the first day of each sixth month thereafter.

699
700 No Fixed Rate shall be established for any issue of
700 Bonds unless, on or before thirty-five days prior to the Fixed
701 Rate Conversion Date, an opinion of Bond Counsel has been
702 delivered to the Trustee to the effect that the Fixed Rate
703 Conversion in accordance with the provisions of the related
704 Indenture (1) is lawful under the State law governing the
705 issuance of the issue of Bonds subject to such Fixed Rate
706 Conversion and is permitted by such Indenture, and (2) will not
707 cause the interest payable on the Bonds of such issue to become
708 subject to Federal income taxation. Such opinion of Bond
709 Counsel shall be confirmed by such Bond Counsel on the Fixed
710 Rate Conversion Date.

712 The Rate-Setting Agent shall, between thirty-five and
713 thirty days prior to the Fixed Rate Conversion Date for an
713 issue of Bonds, establish a Minimum Rate for the Bonds of such
714 issue by making a determination of the Fixed Rate as if such
715 Fixed Rate were being calculated on such date. The Minimum
716 Rate shall be no less than 80% of the Fixed Rate determined by
717 the Rate-Setting Agent on such date.

719
720 Unless General Motors exercises its option not to
721 convert as described below, the Trustee shall mail a notice to
722 each owner of the Bonds with respect to which the Fixed Rate
723 Conversion will occur not less than thirty days prior to the
724 Fixed Rate Conversion Date stated in the notice from General
725 Motors, stating:

726
727 (1) that the interest rate on the Bonds of such
728 issue shall be converted to a Fixed Rate unless Bond
729 Counsel does not deliver, on the Fixed Rate Conversion
730 Date, the confirmation of its opinion required by the
731 Indenture;

732
733 (2) the Fixed Rate Conversion Date;

734
735 (3) the date the Fixed Rate shall be determined;

736
737 (4) the Minimum Rate at which the Fixed Rate may be
738 established;

739
740 (5) the Interest Payment Dates;

741
742 (6) that after Fixed Rate Conversion the owners of
743 the Bonds of such issue will no longer have the right to
744 tender Bonds to the Tender Agent for purchase, specifying
745 the last times and dates prior to the Fixed Rate
746 Conversion Date on which such Bonds must be delivered for
747 purchase, and upon which notice must be given; and

748
749 (7) that all Bonds of such issue will be purchased
750 pursuant to the related Indenture on the Fixed Rate
751 Conversion Date except Bonds which the owners shall have
752 directed the Tender Agent not to so purchase as provided
753 in such Indenture.

754
755 General Motors shall have the option, to be exercised
756 prior to the thirtieth day prior to the Fixed Rate Conversion
757 Date, to cancel its election to convert the Bonds of an issue
758 to a Fixed Rate. General Motors shall give any such notice to
759 the Notice Parties in writing. If General Motors cancels its
760 election to convert the Bonds of an issue to a Fixed Rate, the

761 Bonds of such issue shall continue to bear interest at the
761 Adjusted Rate.

762
763 Between the fifteenth day prior to the Fixed Rate
764 Conversion Date and the Fixed Rate Conversion Date for which
765 the foregoing notice was given, the Trustee shall give notice
766 to each owner of the Bonds of such issue who has delivered an
767 Owner Election Notice (See "THE BONDS - Purchase of Bonds"),
768 which shall state the Fixed Rate.

769
770 Upon the date stated in the Fixed Rate Conversion
771 notice for determination of the Fixed Rate for an issue of
771 Bonds, the Rate-Setting Agent shall determine the Fixed Rate
772 for the Bonds subject to Fixed Rate Conversion as that rate
773 which, in the determination of the Rate-Setting Agent, would
774 result as nearly as practicable in the market value of such
775 Bonds on the Fixed Rate Conversion Date being 100% of the
776 principal amount thereof. In determining the Fixed Rate with
777 respect to an issue of Bonds, the Rate-Setting Agent shall take
778 into account to the extent applicable (1) market interest rates
779 for comparable securities which are held by institutional and
780 private investors with substantial portfolios (a) with a term
781 equal to the period to maturity remaining on the Bonds of such
782 issue, (b) the interest on which is exempt from Federal income
783 taxation, (c) rated, if the Bonds of such issue are rated, by a
784 national credit rating agency in the same or a similar rating
785 category as the Bonds of such issue, and (d) with redemption
786 provisions similar to those of the Bonds of such issue; (2)
787 other financial market rates and indices which have a bearing
788 on the Fixed Rate (including but not limited to rates borne by
789 industrial development bonds, pollution control revenue bonds,
790 public power bonds, housing bonds, other revenue bonds, general
791 obligation bonds, United States Treasury obligations,
792 commercial bank prime rates, certificate of deposit rates,
793 Federal funds rates, indices maintained by The Bond Buyer and
794 other publicly available tax-exempt interest rate indices); (3)
795 general financial market conditions (including current forward
796 supply); and (4) industry, economic or financial conditions
797 which may affect or be relevant to the Bonds of such issue. In
798 addition, in determining the Fixed Rate with respect to an
799 issue of Bonds, the Rate-Setting Agent shall base such rate on
800 marketing efforts with, or solicitations of proposals from, not
801 less than five institutional or money fund investors or other
802 entities or individuals (other than the Rate-Setting Agent or
803 General Motors) who customarily purchase tax-exempt securities
805 comparable to the Bonds of such issue. Upon the date stated in
806 the Fixed Rate Conversion notice as the Fixed Rate Conversion
807 Date, the Fixed Rate shall be effective and shall be equal to
808 the rate so determined by the Rate-Setting Agent.

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The determination of the Minimum Rate and the Fixed Rate for an issue of Bonds by the Rate-Setting Agent in accordance with the Indentures be conclusive and binding on the owners of the Bonds subject to Fixed Rate Conversion and the other Notice Parties.

If for any reason the position of Rate-Setting Agent is vacant for any one or more issues or the Rate-Setting Agent for any one or more issues fails to act by the Fixed Rate Conversion Date, the Fixed Rate with respect to such issue or issues of Bonds subject to Fixed Rate Conversion shall be determined by the Trustee in accordance with this paragraph and shall be equal to the interest rate computed by multiplying (x) the 11-Bond Municipal Bond Index as reported in the most recent issue published prior to the date of computation of The Bond Buyer (or any successor publication thereto) by (y) the percentage shown in the tables below applicable to such issue as of the date of computation of the Fixed Rate for such issue of Bonds:

DeKalb County, Georgia Bonds

Computation Dates (inclusive)	Applicable Percentage
Date of delivery through October 31, 1986	105%
November 1, 1986 through October 31, 1989	103%
November 1, 1989 through October 31, 1992	97%
November 1, 1992 through October 31, 1995	93%
November 1, 1995 through October 31, 1998	86%
November 1, 1998 through October 31, 2001	80%
October 31, 2001 and thereafter	70%

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Fort Wayne, Indiana Bonds

<u>Computation Dates</u> <u>(inclusive)</u>	<u>Applicable</u> <u>Percentage</u>
Date of delivery through	105%
October 31, 1987	
November 1, 1987 through	103%
October 31, 1990	
November 1, 1990 through	97%
October 31, 1993	
November 1, 1993 through	93%
October 31, 1996	
November 1, 1996 through	86%
October 31, 1999	
November 1, 1999 through	80%
October 31, 2002	
November 1, 2002 and thereafter	70%

Kansas City, Kansas Bonds

<u>Computation Dates</u> <u>(inclusive)</u>	<u>Applicable</u> <u>Percentage</u>
Date of delivery through	105%
October 31, 1987	
November 1, 1987 through	103%
October 31, 1990	
November 1, 1990 through	97%
October 31, 1993	
November 1, 1993 through	93%
October 31, 1996	
November 1, 1996 through	86%
October 31, 1999	
November 1, 1999 through	80%
October 31, 2002	
November 1, 2002 and thereafter	70%

Texas Bonds

<u>Computation Dates</u> <u>(inclusive)</u>	<u>Applicable</u> <u>Percentage</u>
Date of delivery through	100%
October 31, 1986	
November 1, 1986 through	97%
October 31, 1989	
November 1, 1989 through	93%
October 31, 1992	
November 1, 1992 through	86%
October 31, 1995	
November 1, 1995 through	80%
through October 31, 1998	
November 1, 1998 and thereafter	70%

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935 Upon any Fixed Rate Conversion as provided in the
936 Indenture, the Bonds subject to Fixed Rate Conversion shall be
937 subject to mandatory tender for purchase in accordance with the
938 related Indenture, and the owners shall be notified of the
939 Fixed Rate Conversion as provided therein and shall have the
940 right to continue to own Bonds subject to such tender for
941 purchase as provided in such Indenture. (See "THE BONDS -
942 Purchase of Bonds").

943

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944 Purchase of Bonds

945

946 Optional Tender for Purchase. During any Daily,
947 Weekly, Monthly, Quarterly or Long Rate Period, a Bond of any
947 issue shall be purchased by the Tender Agent in accordance with
948 the related Indenture on any Purchase Date at the Purchase
949 Price thereof upon the demand of the owner. As a condition
950 precedent to the purchase of Bonds on any Purchase Date, the
951 owner must deliver to the Tender Agent (i) a Tender Notice not
952 later than the time specified in the related Indenture which,
953 in the case of a tender during a Weekly Rate Period or Monthly
954 Rate Period, specifies the proposed Purchase Date which must be
955 at least the seventh day (which day must be a Business Day)
956 following receipt of the Tender Notice and (ii) the Bonds,
957 together with an appropriate instrument of transfer or a blank
958 bond power, not later than 12:00 Noon (New York City time) on
959 the Purchase Date during any period other than a Quarterly Rate
960 Period or a Long Rate Period, and not later than 3:00 P.M. (New
961 York City time) on a date at least fifteen days prior to the
962 Purchase Date during any Quarterly or Long Rate Period. Owners
964 delivering Bonds to the Tender Agent on the Purchase Date after
965 12:00 Noon (New York City time) during a Daily, Weekly or
966 Monthly Rate Period shall not be entitled to receive payment
967 from the Tender Agent until the Business Day following the
968 Purchase Date.

969

970 Provided the Tender Notice is delivered by the times
971 and in the manner specified herein, tendered Bonds shall be
972 purchased by the Tender Agent on the Purchase Date described in
973 the chart contained on pages 10 and 11 hereof.

974

975 Any Tender Notice received by the Tender Agent shall
976 be effective upon receipt and shall be irrevocable.

977

978 Mandatory Tender for Purchase. The Bonds of each
979 issue shall be subject to mandatory tender for purchase prior
980 to maturity (1) on the Period Adjustment Date for such Bonds
981 relating to (i) any Long Rate Period or (ii) any Daily, Weekly,
982 Monthly or Quarterly Rate Period immediately following a Long

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983 Rate Period and (2) on the Fixed Rate Conversion Date (each a
984 "Mandatory Tender Date") for such Bonds at a purchase price
985 equal to 100% of the principal amount thereof plus accrued
986 interest to the date of purchase; except that there shall not
987 be so purchased, (1) Bonds as to which the owner has timely
988 submitted an Owner Election Notice, (2) Bonds issued in
989 exchange for or upon the registration of transfer of Bonds
990 referred to in clause (1) above, and (3) portions of principal
991 amount of Bonds in authorized denominations or integral
992 multiples thereof referred to in clauses (1) and (2) above.
993

994 The Trustee shall, upon Fixed Rate Conversion, give
995 notice to each owner of Bonds subject to such Fixed Rate
996 Conversion that his Bond is subject to mandatory tender for
997 purchase pursuant to the related Indenture (See "THE BONDS -
998 Conversion of Interest Rate on Bonds").
999

1000 In connection with any mandatory tender for purchase
1001 of an issue of Bonds on the Period Adjustment Date of any Long
1002 Rate Period, the Trustee shall not less than thirty days prior
1003 to the Period Adjustment Date mail a notice of mandatory tender
1004 for purchase to each owner of Bonds of such issue which in
1004 substance shall state the following:
1006

1007 (1) the Period Adjustment Date (which date shall be
1008 the Mandatory Tender Date);
1009

1010 (2) if applicable, the Minimum Rate at which the
1011 Long Rate may be established;
1012

1013 (3) the date on which the Rate-Setting Agent will
1014 determine the actual Adjusted Rate; and
1015

1016 (4) that all owners of Bonds who have not given an
1017 Owner Election Notice as provided in the related Indenture
1018 shall be deemed to have tendered their Bonds for purchase
1019 on the Mandatory Tender Date.
1020

1021 Any owner of Bonds who decides to continue to own his
1022 Bonds after the Mandatory Tender Date must deliver to the
1023 Tender Agent, at its principal office (as identified in the
1024 notice of purchase) between thirty days and fifteen days prior
1025 to the Mandatory Tender Date, as the case may be, an Owner
1026 Election Notice stating in substance the following:
1027

1028 (1) that the owner acknowledges the matters set
1029 forth in the notice of purchase delivered pursuant to the
1030 related Indenture;
1031

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1032 (2) that the owner has decided to continue to own
1033 his Bonds or portions thereof so called for purchase after
1034 the Mandatory Tender Date, and identifying such Bonds or
1035 portions by series, number and denomination;
1036

1037 (3) that the Tender Agent is directed not to
1038 purchase such Bonds or portions thereof; and
1039

1040 (4) that such instrument delivered by the owner is
1041 binding on subsequent owners of such Bonds (or the
1042 applicable portion thereof).
1043

1044 Owners of Bonds not providing the Tender Agent with
1045 the Owner Election Notice described above shall be required to
1046 tender their Bonds for purchase on the Mandatory Tender Date at
1047 the Purchase Price. Any Undelivered Bonds on the Mandatory
1048 Tender Date for which there has been irrevocably deposited in
1049 trust with the Trustee amounts sufficient to pay the Purchase
1050 Price of the Undelivered Bonds, shall be deemed to have been
1051 tendered in accordance with the provisions of the related
1052 Indenture. In the event of a failure by an owner (other than
1053 an owner who has delivered the Owner Election Notice) to tender
1054 his Bonds on or prior to the Mandatory Tender Date, such owner
1055 shall not be entitled to any payment (including any interest
1056 accrued subsequent to the Mandatory Tender Date) other than the
1057 Purchase Price for such Undelivered Bonds, and any Undelivered
1058 Bonds shall no longer be entitled to the benefits of the
1059 related Indenture, except for the purpose of payment of the
1060 Purchase Price therefor and interest thereon to the Mandatory
1061 Tender Date.
1062

1063 In the case of the Texas Bonds only, all of the
1064 foregoing notices to be given by the Trustee shall be given by
1065 the Tender Agent for the Texas Bonds.
1066

1066 1067 Special Provisions for Investment Companies 1068

1069 Any owner which identifies itself as an Investment
1070 Company, in lieu of giving a Tender Notice to the Tender Agent
1071 as described above, may elect to deliver such Notice to the
1072 Trustee. In addition, in order to receive payment of the
1073 Purchase Price of tendered Bonds on the Purchase Date, an
1074 Investment Company may, in lieu of delivering Bonds to the
1075 Tender Agent, deliver such Bonds to the Trustee.
1076

1077 With respect to any Long Rate Period, an Investment
1078 Company may deliver its Bonds for purchase to the Tender Agent
1079 on the Purchase Date if it irrevocably notifies the Tender
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1080 Agent during the period commencing thirty days prior to such
1081 Purchase Date and ending fifteen days prior to such Purchase
1082 Date that it will deliver such Bonds on such Purchase Date.
1083 Any such Tender Notice delivered in accordance with the
1084 foregoing sentence shall be irrevocable with respect to the
1085 purchase for which such Tender Notice was delivered and such
1086 purchase shall occur on the Purchase Date.

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1087

1088 Redemption of Bonds

1089

1090 Optional Redemption During any Daily, Weekly, Monthly
1091 or Quarterly Interest Rate Period. The Bonds of each issue are
1092 subject to redemption by the related Issuer at the option of
1093 General Motors, in whole or in part, on any Interest Payment
1094 Date at a redemption price of 100% of the principal amount of
1095 the Bonds to be redeemed plus accrued interest thereon to the
1096 redemption date.

1097

1098 Optional Redemption During a Long Rate Period or
1099 After Fixed Rate Conversion. The Bonds of each issue are
1100 subject to redemption by the related Issuer, at the option of
1101 General Motors, in whole at any time or in part on any Interest
1102 Payment Date, during the periods and at the respective
1103 redemption prices (expressed as a percentage of principal
1104 amount) set forth below, plus accrued interest thereon to the
1105 redemption date:

1106

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1108 OPTIONAL REDEMPTION DURING LONG RATE PERIOD

1109

1112	Redemption Prices	
1113	as a Percentage of	
1114	Principal Amount	
1115	(measured from and	
1116 Length of Interest	including first day	
1117 Rate Period	of such remaining	Call
1118 <u>Expressed in Years</u>	<u>period)</u>	<u>Protection</u>
1120 greater than 13	after 8 years at 102%	8 years
1121	declining 1% per	
1122	12 months to 100%	
1123		
1124 less than or equal	after 5 years at 102%	5 years
1125 to 13 and greater	declining 1% per	
1126 than 10	12 months to 100%	

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1128 less than or equal	after 3 years at	3 years
1129 to 10 and greater	101 1/2% declining 1/2%	
1130 than 7	per 12 months to 100%	
1131		
1132 less than or equal	after 3 years at 101%	3 years
1133 to 7 and greater	declining 1/2% per 12	
1134 than 4	months to 100%	
1135		
1136 less than or equal	after 2 years 101%	2 years
1137 to 4 and greater	declining 1/2% per	
1138 than 1 year	6 months to 100%	
1139		
1140 less than or equal	after 1 year at	1 year
1141 to 2 and greater	100 1/2% declining	
1142 than 1 year	1/2% per 6 months	
1143	to 100%	
1144		
1145 less than or equal	after 6 months	6 months
1146 to 1 and greater	at 100-1/8%	
1147 than 6 months		
1148		
1149 equal to 6 months	after 6 months	6 months
1150	at 100%	
1151		
1151		

OPTIONAL REDEMPTION AFTER FIXED RATE CONVERSION

1153	Redemption Prices	
1154	as a Percentage of	
1155	Principal Amount	
1156	(measured from and	
1157	including first day	
1158	of such remaining	
1159 Length of Interest	period)**	Call
1160 Rate Period		Protection***
1161 <u>Expressed in Years*</u>		
1162		
1163 greater than 13	after 8 years at 102%	8 years
1164	declining 1% per	
1165	12 months to 100%	
1166		
1167 less than or equal	after 5 years at 102%	5 years
1168 to 13 and greater	declining 1% per	
1169 than 10	12 months to 100%	
1170		
1171 less than or equal	after 3 years at	3 years
1172 to 10 and greater	101 1/2% declining	
1173 than 7	1/2% per 12 months to	
1174	100%	
1175		
1175		

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1176	less than or equal	after 3 years at	3 years
1177	to 7 and greater	101% declining	
1178	than 4 .	1/2% per 12 months to	
1179		100%	
1180			
1181	less than or equal	after 2 years at	2 years
1182	to 4	101% declining	
1183		1/2% per 6 months	
1184		to 100%	
1185			
1186			

- 1187
- 1190 * Length of period from the Interest Payment Date
 1191 immediately succeeding the Fixed Rate Conversion Date
 1192 to the redemption date.
- 1193
- 1194 ** Measured from Interest Payment Date immediately
 1195 succeeding the Fixed Rate Conversion Date.
- 1196
- 1197 *** Length of time (measured from the Interest Payment
 1198 Date immediately succeeding the Fixed Rate Conversion
 1199 Date) before Bonds may be called.

1200

1201 Extraordinary Optional Redemption. The Bonds of each
 1202 issue shall be redeemed by the related Issuer on any Interest
 1203 Payment Date as a whole, at a redemption price of 100% of the
 1204 principal amount thereof plus accrued interest to the
 1205 redemption date, upon exercise by General Motors of its option
 1206 to repay the amounts due under the related Financing Agreement
 1207 following an event wherein:

1208

1209 (a) the related Project or Plant shall have been
 1210 damaged or destroyed to such an extent that, in the
 1211 judgment of General Motors, (i) it cannot be reasonably
 1212 restored within a period of three consecutive months to
 1213 the condition thereof immediately preceding such damage or
 1214 destruction, (ii) General Motors is thereby prevented from
 1215 carrying on its normal operations at the Plant for a
 1216 period of three consecutive months, or (iii) it would not
 1217 be economically feasible for General Motors to replace,
 1218 repair, rebuild or restore the same;

1219

1220 (b) title in and to, or the temporary use of, all or
 1221 substantially all of the related Project or Plant shall
 1222 have been taken under the exercise of the power of eminent
 1223 domain by any governmental authority, or person acting
 1224 under governmental authority (including such a taking as,
 1225 in the judgment of General Motors, results in General
 1226 Motors being prevented thereby from carrying on its normal

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operations at the Plant for a period of three consecutive months);

(c) as a result of any changes in the Constitution of the State of the related Issuer or the Constitution of the United States of America or by legislative or administrative action (whether State or Federal) or by final decree, judgment, decision or order of any court or administrative body (whether State or Federal), the related Financing Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed therein;

(d) unreasonable burdens or excessive liabilities shall have been imposed on General Motors with respect to the operation of the related Plant, including, without limitation, Federal, State or other ad valorem, property, income, or other taxes not being imposed on the date of the related Financing Agreement which, in the judgment of General Motors, render the continued operation of the Plant uneconomic;

(e) changes which General Motors cannot reasonably control or overcome in the economic availability of materials, supplies, labor, equipment and other properties and things necessary for the efficient operation of the related Plant for the purposes contemplated by the related Financing Agreement shall have occurred or technological changes which General Motors cannot reasonably overcome shall have occurred which, in the judgment of General Motors, render the continued operation of the Plant uneconomic;

(f) legal curtailment of General Motors' use and occupancy of all or substantially all of the related Plant for any reason other than that set forth in paragraph (b), which curtailment shall, in the judgment of General Motors, prevent General Motors from carrying on its normal operations at the Plant for a period of three consecutive months; or

(g) the related Financing Agreement is terminated prior to its expiration for any reason other than the occurrence of an Event of Default under such Financing Agreement.

Special Mandatory Redemption. The Bonds of each issue are subject to special mandatory redemption by the

1275 related Issuer at a redemption price of 100% of the principal
1276 amount thereof plus accrued interest to the redemption date on
1277 any date within 180 days after receipt by the Trustee (or, with
1278 respect to the Texas Bonds, the Paying Agent) of notice of (a)
1280 the issuance of a public or private ruling of the Internal
1281 Revenue Service in which General Motors has participated to the
1282 degree it deems sufficient and which ruling General Motors, in
1283 its discretion, does not contest by any appropriate proceeding
1284 directly or through a holder of any Bonds, or (b) a final
1285 determination by any court of competent jurisdiction in the
1286 United States in a proceeding to which General Motors is a
1287 party, in either case to the effect that, as a result of a
1288 failure by General Motors to observe any covenant, agreement,
1289 representation or warranty in the related Financing Agreement,
1290 the interest payable on the Bonds of such issue is includable
1291 in the gross income for Federal income tax purposes of the
1292 holders thereof (other than a person who is a "substantial
1293 user" of the Project financed with the proceeds of the Bonds of
1294 such issue or a "related person" within the meaning of Section
1295 103(b) of the Internal Revenue Code of 1954, as amended, and
1296 the regulations and proposed regulations thereunder). Upon the
1297 occurrence of any event described in this paragraph, the Bonds
1298 of such issue shall be redeemed in whole unless, in the opinion
1299 of Bond Counsel mutually acceptable to the Issuer, the Trustee
1300 and General Motors, the redemption of a portion of such Bonds
1301 would have the result that interest payable on the Bonds of
1302 such issue remaining outstanding after such redemption would
1303 not be includable in the gross income for Federal income tax
1304 purposes of any holder of any such Bonds (other than a holder
1305 who is a "substantial user" of the Project financed with the
1306 proceeds of the Bonds of such issue or a "related person" as
1307 described above). Any such partial redemption shall be by lot
1308 in such amount as is necessary to accomplish such result.

1310

1311 Excess Proceeds Redemption. The Bonds of each issue
1312 are subject to redemption by the related Issuer, at the option
1313 of General Motors, at a redemption price of 100% of the
1314 principal amount thereof plus accrued interest to the
1315 redemption date, in whole or in part on any Interest Payment
1316 Date, in the event that any moneys remain in the Project Fund
1317 related to such issue of Bonds after the completion of the
1318 related Project and are transferred from the Project Fund to
1319 the Bond Fund related to such issue of Bonds and are applied to
1320 the redemption of Bonds of such issues (rounded to the nearest
1321 \$5,000). General Motors has the right to deliver the Bonds of
1322 such issue to the Trustee (or, with respect to the Texas Bonds,
1323 the Paying Agent) for purchase from such excess proceeds and
1324 for cancellation.

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1326 Notice of Redemption. Notice of redemption shall be
1327 given by mail not less than thirty days or more than sixty days
1328 prior to the redemption date to each holder of the Bonds or
1329 portions thereof to be redeemed at the last address shown on
1330 the registration books kept by the Bond Registrar.

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THE INDENTURES

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1335 Each Indenture will operate independently of the
1336 other Indentures and a default under one Indenture will not
1337 necessarily constitute a default under the other Indentures.
1338 All references in this summary are to the Financing Agreement,
1339 Issuer, Trustee, Bonds, Bond Fund, Bond Purchase Fund, Project
1339 Fund or Project relating to the respective Indenture.

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Pledged Security

1343

1344 Pursuant to each Indenture, each Issuer has pledged
1345 all right, title and interest of such Issuer in its related
1346 Financing Agreement, together with the Financing Agreement
1347 itself (reserving the right to notices, fees and
1348 indemnification and certain other rights described therein),
1349 the Pledged Revenues, all amounts on deposit in the related
1350 Project Fund and Bond Fund established and held by the Trustee,
1351 and any other security pledged as security for the Bonds issued
1352 under such Indenture.

1353

1354 "Pledged Revenues" means with respect to each issue
1355 of Bonds (a) the payments required to be made by General Motors
1356 under the related Financing Agreement (except fees and
1357 indemnification payments) (See "THE FINANCING AGREEMENTS -
1358 Payments under the Financing Agreements") and (b) any proceeds
1359 which result from the exercise of remedies by the related
1359 Trustee or Issuer under the related Indenture or Financing
1360 Agreement. (See "THE FINANCING AGREEMENTS - Events of Default"
1361 and "THE INDENTURES - Events of Default").

1363

1363

The Bond Fund

1365

1366 Payments by General Motors under each Financing
1367 Agreement constituting loan repayments under the Loan
1368 Agreements, rental payments under the Kansas City, Kansas Lease
1369 Agreement, and purchase price payments under the Texas Sale
1370 Agreement shall be made to the related Trustee (or, with
1371 respect to the Texas Bonds, the Paying Agent) and deposited
1372 into the General Account of the Bond Fund created under the

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1373 related Indenture and held by the Trustee (or the Paying Agent
1374 for the Texas Bonds), as well as any other moneys received by
1377 the Trustee (or the Paying Agent for the Texas Bonds)
1379 accompanied by directions to deposit such moneys into such Bond
1380 Fund.

1381
1382 Amounts in each Bond Fund shall be used solely for
1383 the payment of the principal of, redemption premium (if any)
1384 and interest on the related issue of Bonds. On any date that a
1385 payment is due on Bonds under an Indenture, the Trustee (or the
1386 Paying Agent for the Texas Bonds) is required to transfer from
1387 the General Account in the related Bond Fund to the Special
1388 Account in the Bond Fund sufficient moneys to make such
1389 payment. Moneys in the Special Account of each Bond Fund shall
1390 be invested by the Trustee (or the Paying Agent for the Texas
1390 Bonds) at General Motors' direction and shall be held in trust
1392 by the Trustee for the benefit of the bondholders entitled to
1393 be paid therefrom, all in the manner described in the
1394 Indentures.

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1396 The Bond Purchase Fund

1397

1398 Payments by General Motors under each Financing
1399 Agreement for the purpose of paying the Purchase Price of
1400 tendered Bonds (See "THE BONDS - Tender of Bonds for Purchase"
1401 and "THE FINANCING AGREEMENTS - Payments Under the Financing
1402 Agreements") shall be made to the related Trustee (or, with
1403 respect to the Texas Bonds, the Tender Agent) and deposited
1404 into the General Account of the Bond Purchase Fund created
1405 under the related Indenture and held by the Trustee (or the
1407 Tender Agent for the Texas Bonds). The proceeds of any
1408 remarketing of Bonds of an issue by the Remarketing Agent (See
1409 "THE INDENTURES - The Remarketing Agent") shall also be
1410 deposited into the General Account of the Bond Purchase Fund
1411 under the related Indenture, as well as any other moneys
1412 received by the Trustee (or the Tender Agent for the Texas
1412 Bonds) accompanied by directions to deposit such moneys into
1414 the Bond Purchase Fund under the related Indenture.

1416

1417 Amounts in the Bond Purchase Fund under each
1418 Indenture shall be used for the payment of the Purchase Price
1419 of the related issue of Bonds tendered for purchase under such
1420 Indenture. On any date that payment of the Purchase Price is
1421 due on Bonds under the Indenture, the Trustee (or, with respect
1422 to the Texas Bonds, the Tender Agent) is required to transfer
1424 from the General Account in the related Bond Purchase Fund to
1425 the Special Account in the Bond Purchase Fund sufficient moneys
1426 to make such payment, applying the proceeds of a remarketing

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1427 first, payments by General Motors under the related Financing
1428 Agreement second, and all other amounts third. Moneys in the
1429 Special Account of the Bond Purchase Fund shall not be invested
1430 in any manner and shall be held in trust by the Trustee (or the
1431 Tender Agent for the Texas Bonds) for the benefit of the
1432 bondholders entitled to be paid therefrom. Funds in the
1433 Special Account of the Bond Purchase Fund shall be transferred
1434 by the Trustee to the Tender Agent (or, with respect to the
1435 Texas Bonds, used by the Tender Agent) to pay the Purchase
1436 Price of Bonds required to be purchased by the Tender Agent.

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1439 Investments

1440

1441 Amounts in each Project Fund, each Bond Fund and the
1442 General Account of each Bond Purchase Fund may be invested and
1443 reinvested by the Trustee (or, with respect to the Texas Bonds,
1444 the Paying Agent or the Tender Agent, respectively) as directed
1445 by General Motors in Permitted Investments, as defined under
1446 each Indenture; provided that amounts in the Special Account of
1447 the Bond Fund may only be invested in Government Obligations on
1448 a daily basis. Any interest or gain from such investments
1449 shall be credited to and held in such account or fund, and any
1450 loss from such investments shall be charged to such account or
1451 fund.

1452

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1453 The Remarketing Agent

1454

1455 Upon the delivery to the Tender Agent of Bonds of an
1455 issue as specified in "THE BONDS - Purchase of Bonds", the
1456 Remarketing Agent shall offer all such Bonds for sale and shall
1457 use its best efforts to sell such Bonds, any such sale to be on
1458 the Purchase Date, at a price equal to the principal amount
1460 thereof.

1461

1461

1462 Events of Default

1463

1464 The following shall constitute an "Event of Default"
1465 under each Indenture.

1466

1467 (a) Default in the due and punctual payment of any
1468 interest or redemption premium on any Bond issued under
1469 such Indenture; or

1470

1471 (b) Default in the due and punctual payment of the
1472 principal of any Bond issued under such Indenture, whether
1473 at the maturity date or the redemption date prior to
1474 maturity, or upon maturity thereof by declaration; or

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1476 (c) Default in the due and punctual payment of the
1477 Purchase Price of any Bond issued under such Indenture
1478 required to be purchased thereunder; or
1479

1480 (d) Default in the performance or observance of any
1481 other of the agreements or conditions on the part of the
1482 Issuer contained in such Indenture or in the Bonds issued
1483 under such Indenture; or
1484

1485 (e) The occurrence and continuance of an "Event of
1486 Default" under the related Financing Agreement.
1487

1488 Upon the occurrence of an Event of Default under an
1489 Indenture resulting from the occurrence of an Event of Default
1490 under the related Financing Agreement as a result of the
1491 liquidation or bankruptcy of General Motors, the principal of
1492 all Bonds of such issue and the interest accrued thereon shall
1493 automatically become due and payable, without any action or
1494 declaration of acceleration by the Trustee. Upon the
1495 occurrence of an Event of Default thereunder for any other
1496 reason, the Trustee may, and upon the written request of the
1497 holders of not less than 25% in principal amount of Bonds of
1498 such issue then outstanding shall, by notice in writing
1499 delivered to the Issuer of such Bonds and General Motors,
1500 declare the principal of all such Bonds and the interest
1501 accrued thereon to the date of such acceleration immediately
1502 due and payable. Upon any declaration of acceleration under an
1503 Indenture, the Trustee shall declare the payments due under the
1504 related Financing Agreement to be immediately due and payable
1505 in accordance therewith.
1506

1507 Upon the occurrence of an Event of Default under the
1508 Indenture relating to the Texas Bonds, the Paying Agent is
1509 required to transfer to the Trustee any amounts in the Bond
1510 Fund and its records relating thereto, and the Trustee shall
1511 exercise all rights and remedies under such Indenture as to
1512 such Event of Default.
1513

1514 Upon the occurrence of an Event of Default under an
1515 Indenture, the Trustee shall also have the power to proceed
1516 with any right or remedy granted by the Constitution and laws
1517 of the State of the Issuer of the related issue of Bonds, as it
1518 may deem best, including any suit, action or special proceeding
1519 in equity or at law for the specific performance of any
1520 agreement contained in the related Financing Agreement or
1521 Indenture or, with respect to the Kansas City, Kansas Bonds,
1522 the Guaranty or for the enforcement of any proper legal or
1523 equitable remedy as the Trustee deems most effectual to protect
1524 the rights of the bondholders of such issue.

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1526 Upon the occurrence of an Event of Default under an
1527 Indenture and if required so to do by the holders of 25% in
1528 principal amount of the related issue of Bonds then outstanding
1529 and if indemnified as provided in such Indenture, the Trustee
1530 shall exercise one or more of the rights and remedies conferred
1531 by such Indenture, as the Trustee of such Indenture shall deem
1532 most expedient in the interests of the bondholders.

1533
1534 No right or remedy by the terms of the Indentures
1535 conferred upon or reserved to the Trustee (or to the
1536 bondholders) is intended to be exclusive of any other right or
1537 remedy, but each and every such right and remedy shall be
1538 cumulative and shall be in addition to any other right or
1539 remedy given to the Trustee or to the bondholders or now or
1540 hereafter existing at law, in equity or by statute.

1541
1542 No holder of any Bond of an issue will have any right
1543 to institute suit or to execute any trust or power of the
1544 Trustee unless such holder has previously given the Trustee
1545 written notice of an Event of Default under the related
1546 Indenture and unless also the holders of not less than 25% in
1547 principal amount of the Bonds of such issue then outstanding
1548 have made written request of the Trustee so to do, and unless
1549 satisfactory indemnity has been offered to the Trustee and the
1550 Trustee has not complied with such request within a reasonable
1551 time.

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1553 Discharge of Lien

1554
1555 Upon payment in full of the Bonds (as described
1556 below) of an issue, then the related Indenture and the Trust
1557 Estate granted therein and the security interests, if any,
1558 created therein shall cease, determine and be void. The Bonds
1559 of such issue shall be deemed to have been paid if:

1560
1561 (a) There shall have been irrevocably deposited in
1562 the Special Account in the Bond Fund created under such
1563 Indenture either:

1564
1565 (i) sufficient moneys, or

1566
1567 (ii) Government Obligations (hereinafter
1568 defined) of such maturities and interest payment
1569 dates and bearing such interest as will, without
1570 further investment or reinvestment of either the
1571 principal amount thereof or the interest earnings
1572 thereon (said earnings to be held in trust also), be
1573 sufficient together with any moneys referred to in
1574 subparagraph (i) above,

for the payment at their respective maturities or redemption dates prior to maturity, of the principal thereof and the redemption premium (if any) and interest to accrue thereon to such maturity or redemption dates, as the case may be;

(b) There shall have been paid to the Trustee, all reasonable fees and expenses of the Trustee, any Co-Trustee, the Paying Agent, any Co-Paying Agent, the Bond Registrar, any Co-Bond Registrar, the Tender Agent, the Rate-Setting Agent and the Remarketing Agent due or to become due in connection with the payment or redemption of such Bonds or there shall be sufficient moneys in such Special Account to make said payments; and

(c) If such Bonds are to be redeemed on any date prior to their maturity, the Trustee shall have received in form satisfactory to it irrevocable instructions to redeem such Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by the related Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

The term "Government Obligations" means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, or (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and the interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par by anyone other than the holder.

Modifications and Amendments of Indentures

Each Indenture may be modified or amended by supplemental indentures without the consent of or notice to the bondholders under such Indenture for any of the following purposes:

(a) to cure any ambiguity or formal defect or omission therein;

1624 (b) to grant to or confer upon the Trustee or any
1625 Co-Trustee for the benefit of the bondholders under such
1626 Indenture any additional rights, remedies, powers or
1627 authorities that may lawfully be granted to or conferred
1627 upon the bondholders or the Trustee or Co-Trustee or any
1629 of them under such Indenture;

1630
1631 (c) to subject to the lien and pledge of such
1632 Indenture additional payments, revenues, properties or
1633 collateral, including, but not limited to, the addition of
1634 a letter of credit, line of credit or other alternate
1635 liquidity facility;

1636
1637 (d) to modify, amend or supplement such Indenture or
1638 any indenture supplemental thereto in such manner as to
1639 permit the qualification thereof under the Trust Indenture
1640 Act of 1939, as amended, or any similar Federal statute
1641 thereafter in effect or to permit the qualification of the
1642 Bonds under such Indenture for sale under the securities
1643 laws of any of the states of the United States of America,
1644 and, if they so determine, to add thereto or to any
1645 indenture supplemental thereto any such other terms,
1646 conditions and provisions as may be permitted by said
1647 Trust Indenture Act of 1939 or similar Federal statute; or
1648

1649 (e) to evidence the appointment of a separate
1650 Trustee or Co-Trustee or the succession of a new Trustee
1651 or Co-Trustee under such Indenture.

1652
1653 Exclusive of supplemental indentures covered above
1654 and subject to the terms and provisions contained in such
1655 Indenture, and not otherwise, the holders of not less than
1656 two-thirds in principal amount of the Bonds under such
1657 Indenture shall have the right, from time to time, anything
1658 contained in such Indenture to the contrary notwithstanding, to
1659 consent to and approve the execution by the related Issuer and
1660 the Trustee of such other indenture or indentures supplemental
1661 thereto as shall be deemed necessary and desirable by such
1662 Issuer for the purpose of modifying, altering, amending, adding
1663 to or rescinding, in any particular, any of the terms or
1664 provisions contained therein or in any supplemental indenture;
1665 provided, however, that no amendment of an Indenture shall
1666 permit, or be construed as permitting, (a) an extension of the
1667 maturity date on which the principal amount of the related
1668 issue of Bonds is, or is to become, due and payable, (b) a
1669 reduction in the principal amount of the related issue of
1670 Bonds, the rate of interest thereon or any redemption premium
1671 thereon, (c) a privilege or priority of any Bond or Bonds of an
1672 issue over any other Bond or Bonds of the same issue, or (d) a

1673 reduction in the principal amount of the Bonds issued under the
1674 Indenture required for consent to such supplemental indenture.

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1676 Modifications and Amendments of Financing Agreements

1677

1678 The Indentures provide that each Financing Agreement
1679 may be modified or amended without the consent of or notice to
1680 the bondholders for any of the following purposes:

1681

1682 (a) if required by the provisions of such Financing
1683 Agreement or the related Indenture; or

1684

1685 (b) for the purpose of curing any ambiguity or
1686 formal defect or omission in such Financing Agreement;

1687

1688 provided that in the opinion of counsel to the Trustee the
1689 amendment, change or modification effected thereby is not to
1690 the prejudice of the interests of the Trustee or the holders of
1691 such Bonds.

1692

1693 Except for the amendments, changes or modifications
1694 as provided above, neither an Issuer nor the Trustee shall
1695 consent to any other amendment, change or modification of a
1696 Financing Agreement without the giving of notice and the
1697 written approval or consent of the holders of not less than
1698 two-thirds in principal amount of the related issue of Bonds.

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1701

THE FINANCING AGREEMENTS

1702

1703 Each Financing Agreement will operate independently
1704 of the other Financing Agreements and a default under one
1705 Financing Agreement will not necessarily constitute a default
1706 under the other Financing Agreements. The Financing Agreements
1707 contain similar terms, except as herein noted, and the
1708 following is a summary of certain provisions of each Financing
1709 Agreement. All references in this summary are to the
1710 documents, Issuer, Trustee, Bonds, Indenture or Project
1710 relating to the respective Financing Agreement.

1712

1712

1713 Payments under the Financing Agreements

1714

1715 Payments will be made by General Motors to the
1716 Trustee (or, with respect to the Texas Bonds, the Paying Agent)
1717 under each Financing Agreement in an amount equal to the
1718 principal of, redemption premium (if any) and interest on the
1719 Bonds of each issue. In addition, General Motors is obligated

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1720 under each Financing Agreement to pay to the Trustee (or, with
1721 respect to the Texas Bonds, the Tender Agent) the Purchase
1722 Price of all Bonds tendered or deemed to be tendered for
1723 purchase (See "THE BONDS - Purchase of Bonds"), provided that
1724 the obligation of General Motors to make such payments for the
1725 purchase of Bonds shall be reduced by other amounts available
1726 to make such payments.

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1728 Other Payments under the Financing Agreements

1729

1730 General Motors has agreed under each Financing
1731 Agreement to pay the reasonable fees and expenses of the
1732 related Issuer, the Trustee, any Co-Trustee, the Paying Agent,
1732 any Co-Paying Agent, the Bond Registrar, and Co-Bond Registrar,
1733 the Tender Agent, the Remarketing Agent and the Rate-Setting
1734 Agent (the "Administrative Expenses") (See "THE FINANCING
1736 AGREEMENTS - Agreements of General Motors").

1737

1737

1738 Obligations Absolute

1739

1740 The obligation of General Motors to make payments
1741 under each Financing Agreement (other than the Administrative
1742 Expenses), and to perform and observe the other agreements on
1743 its part contained in such Financing Agreement is absolute and
1744 unconditional and is not subject to diminution by set-off,
1745 counterclaim, abatement or otherwise. Until payment in full of
1746 the Bonds and payment in full of the Purchase Price of any
1747 Bonds purchased pursuant to the related Indenture, General
1748 Motors (a) will not suspend or discontinue any such payments
1749 except to the extent the same have been prepaid, (b) will
1750 perform and observe all its other agreements contained therein,
1751 and (c) except as provided in such Financing Agreement, will
1752 not terminate such Financing Agreement for any cause,
1753 including, without limiting the generality of the foregoing,
1754 any acts or circumstances that may constitute failure of
1755 consideration, sale, loss, eviction or constructive eviction,
1756 destruction of or damage to the related Project, commercial
1757 frustration of purpose, any change in the tax or other laws of
1758 the United States of America or of the State of the related
1759 Issuer or any political subdivision of either, or any failure
1760 of the related Issuer to perform and observe any agreement,
1761 whether express or implied, or any duty, liability or
1762 obligation arising out of or in connection therewith or with
1763 the related Indenture.

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1765 Agreements of General Motors

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1767 Under each Financing Agreement, General Motors has
1768 agreed:

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1770 (a) to pay, and save the Issuer under such Financing
1771 Agreement harmless against the liability for the payment
1772 of all reasonable expenses arising in connection with said
1773 contemplated transactions, including the reasonable legal
1774 and accounting fees and expenses incurred by such Issuer
1775 in connection with the issuance of the Bonds and such
1776 performance by such Issuer of its functions and duties
1777 under such Financing Agreement and such Indenture or any
1778 other agreement to which such Issuer is a party in
1779 connection with the related Project;

1780

1781 (b) to protect, indemnify and save such Issuer, its
1782 directors, members, officers, agents and employees
1783 harmless from and against all liability, losses, damages,
1784 costs, reasonable expenses (including reasonable counsel
1785 fees), taxes, causes of action, suits, claims, demands and
1786 judgments of any nature or form, by or on behalf of any
1787 person arising in any manner from the transactions of
1788 which such Financing Agreement is a part or arising in any
1789 manner in connection with the related Project or the
1790 financing of such Project, including, without limiting the
1791 generality of the foregoing arising from (i) the work done
1792 on such Project, or (ii) any breach or default on the part
1793 of General Motors in the performance of any of its
1794 obligations under such Financing Agreement, or (iii) such
1795 Project or any part thereof, or (iv) any violation of
1796 contract, agreement or restriction by General Motors
1797 relating to such Project, or (v) any violation of law,
1798 ordinance or regulation affecting such Project or any part
1799 thereof or the ownership or occupancy or use thereof;

1800

1801 (c) until payment in full of the related issue of
1802 Bonds it shall maintain its corporate existence and shall
1803 not merge or consolidate with any other corporation and
1804 shall not transfer or convey all or substantially all of
1805 its property, assets and licenses; provided, however,
1806 General Motors may, without violating any provision of
1807 such Financing Agreement, consolidate with or merge into
1808 another domestic corporation (i.e., a corporation
1809 incorporated and existing under the laws of one of the
1810 states of the United States of America or the District of
1811 Columbia) or permit one or more other domestic
1812 corporations to consolidate with or merge into it, or
1813 transfer all or substantially all of its assets to another

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domestic corporation, but only on the condition that the assignee corporation or the corporation resulting from or surviving such merger or consolidation (if other than General Motors) or the corporation to which such transfer is made shall expressly assume in writing and agree to perform all of General Motors' obligations under such Financing Agreement, and certain other conditions;

(d) to furnish to the Trustee, at its written request, a copy of General Motors' most recent annual report to its stockholders and a copy of General Motors' most recent Form 10-K Annual Report and Form 10-Q Quarterly Report filed with the United States Securities and Exchange Commission;

(e) it will not make or permit, any use of the proceeds of the related issue of Bonds or take or omit to take certain other actions which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code and any Treasury Regulations promulgated thereunder as such regulations may apply to obligations issued as of the date of such Bonds; and

(f) it will not take, or permit to be taken on its behalf, or fail to take any action which, if taken or omitted to be taken, would adversely affect the exemption from Federal income tax of the interest paid on the related issue of Bonds and that it will take, or require to be taken, such acts as may from time to time be required under applicable law or regulation in effect on the date of issuance of such Bonds to continue to exempt from Federal income tax the interest on such Bonds, except to the extent that the Bonds of such issue are held by a substantial user of the related Project or a related person thereto as those terms are used in Section 103(b) of the Internal Revenue Code.

Events of Default

The following shall be "Events of Default" under each Financing Agreement:

(a) failure by General Motors to make any payment required to be made by General Motors thereunder when the same becomes due and payable;

(b) failure by General Motors to maintain its corporate existence;

1865 (c) failure by General Motors to observe and/or
1866 perform any agreement contained in such Financing
1867 Agreement on its part to be observed and/or performed,
1868 other than as referred to in (a) or (b) above, for a
1869 period of sixty days after written notice, specifying such
1870 failure and requesting that it be remedied, given to
1871 General Motors by the Issuer of such Bonds or the Trustee,
1872 unless such Issuer and the Trustee shall agree in writing
1873 to an extension of such time prior to its expiration;
1874 provided, however, if the failure stated in the notice
1875 cannot be corrected within the applicable period, such
1876 Issuer and the Trustee will not unreasonably withhold
1877 their consent to an extension of such time if it is
1878 possible to correct such failure and corrective action is
1879 instituted by General Motors within the applicable period
1880 and diligently pursued until the failure is corrected; or
1881 in the case of any such default which can be cured with
1882 due diligence but not within such sixty-day period,
1883 General Motors' failure to proceed promptly to cure such
1884 default and thereafter prosecute the curing of such
1885 default with due diligence;
1886

1887 (d) General Motors shall (i) apply for or consent to
1888 the appointment of, or the taking of possession by, a
1889 receiver, custodian, trustee or liquidator of General
1890 Motors or of all or a substantial part of its property,
1891 (ii) admit in writing its inability, or be generally
1892 unable, to pay its debts as such debts become due, (iii)
1893 make a general assignment for the benefit of its
1894 creditors, (iv) commence a voluntary case under the
1895 Federal Bankruptcy Code (as now or hereafter in effect),
1896 (v) file a petition seeking to take advantage of any other
1897 law relating to bankruptcy, insolvency, reorganization,
1898 winding-up or composition or adjustment of debts, (vi)
1899 fail to controvert in a timely or appropriate manner, or
1900 acquiesce in writing to, any petition filed against
1901 General Motors in an involuntary case under said Federal
1902 Bankruptcy Code, or (vii) take any corporate action for
1903 the purpose of effecting any of the foregoing;
1904

1905 (e) a proceeding or case shall be commenced, without
1906 the application or consent of General Motors in any court
1907 of competent jurisdiction, seeking (i) the liquidation,
1908 reorganization, dissolution, winding-up or composition or
1909 adjustment of debts, of General Motors, (ii) the
1910 appointment of a trustee, receiver, custodian, liquidator
1911 or the like of General Motors or of all or any substantial
1912 part of its assets, (iii) similar relief in respect of
1913 General Motors under any law relating to bankruptcy,
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1914 insolvency, reorganization, winding-up or composition or
1915 adjustment of debts, and such proceeding or case shall
1916 continue undismissed, or an order, judgment or decree
1917 approving or ordering any of the foregoing shall be
1918 entered and continue unstayed and in effect, for a period
1919 of ninety days from commencement of such proceeding or
1920 case or the date of such order, judgment or decree, or an
1921 order for relief against General Motors shall be entered
1922 in an involuntary case under said Federal Bankruptcy Code;
1923

1924 (f) with respect to the Kansas City, Kansas Bonds,
1925 an "Event of Default" occurs and is continuing under the
1926 related Guaranty; and
1927

1928 (g) an "Event of Default" occurs and is continuing
1929 under the related Indenture.
1930

1931 The foregoing provisions of subparagraph (c) above
1932 are subject to the following limitations: If by reason of
1933 "force majeure" General Motors is unable in whole or in part to
1934 carry out the agreements on its part therein referred to, the
1935 failure to perform such agreements due to such inability shall
1936 not constitute an Event of Default under such Financing
1937 Agreement nor shall it become an Event of Default under such
1938 Financing Agreement upon appropriate notification to General
1939 Motors and/or the passage of the stated period of time. The
1940 term "force majeure" as used herein shall mean, without
1941 limitation, the following: acts of God; strikes, lockouts or
1942 other industrial disturbances; acts of public enemies; orders
1943 of any kind of the government of the United States of America
1944 or any of its departments, agencies, political subdivisions or
1945 officials, or any civil or military authority; insurrections;
1946 riots; epidemics; landslides; lightning; earthquakes; fires;
1947 hurricanes; tornadoes; storms; floods; washouts; droughts;
1948 arrests; restraint of government and people; civil
1949 disturbances; explosions; breakage or accident to machinery,
1950 transmission pipes or canals; partial or entire failure of
1951 utilities; or any other cause or event not reasonably within
1952 the control of General Motors. General Motors agrees, however,
1953 to remedy with all reasonable dispatch the cause or causes
1954 preventing General Motors from carrying out its agreements;
1955 provided, that the settlement of strikes, lockouts and other
1956 industrial disturbances shall be entirely within the discretion
1957 of General Motors, and General Motors shall not be required to
1958 make settlement of strikes, lockouts and other industrial
1959 disturbances by acceding to the demands of the opposing party
1960 or parties when such course is, in the judgment of General
1961 Motors, unfavorable to General Motors.
1962

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105
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1963 Remedies

1964

1965 (a) Upon the occurrence of an Event of Default under
1966 a Financing Agreement as a result of the occurrence of any of
1967 the events described in subparagraph (d) or (e) above, all
1968 payments required to be made by General Motors under such
1969 Financing Agreement shall become automatically due and payable,
1970 without any action or declaration of acceleration by the
1971 Trustee. Upon the occurrence of any other Event of Default
1972 under such Financing Agreement, the Trustee may, in accordance
1973 with the provisions of the related Indenture, and upon the
1974 acceleration of payment of principal of and interest on Bonds
1975 issued with respect to such Financing Agreement shall, in
1976 accordance with the provisions of such Indenture, by notice in
1977 writing delivered to the related Issuer and General Motors,
1977 declare all payments required to be made by General Motors
1978 under such Financing Agreement to be immediately due and
1979 payable, whereupon the same shall become immediately due and
1980 payable.

1981

1982 (b) Upon the occurrence of an Event of Default under
1983 such Financing Agreement as a result of the occurrence of any
1984 of the events described in subparagraphs (a) through (g) above,
1985 the Trustee shall have the power to proceed with any right or
1986 remedy granted by the Constitution and laws of the State of the
1987 related Issuer, as it may deem best, including any suit, action
1987 or special proceeding in equity or at law, for the specific
1989 performance of any agreement contained in such Financing
1990 Agreement or the related Indenture or, with respect to the
1991 Kansas City, Kansas Bonds, the related Guaranty or for the
1992 enforcement of any proper legal or equitable remedy as the
1993 Trustee shall deem most effectual to protect the rights of the
1994 holders of the related issue of Bonds.

1995

1996 (c) Any amounts collected pursuant to actions taken
1997 under such Financing Agreement shall be paid into the related
1998 Bond Fund and applied in accordance with the provisions of the
1999 related Indenture.

2000

2001 No remedy conferred upon or reserved to the Trustee
2002 is intended to be exclusive of any other remedy, but each and
2003 every such remedy shall be cumulative and shall be in addition
2004 to every other remedy under such Financing Agreement or
2005 existing at law, in equity or by statute. No delay or omission
2006 to exercise any right or power occurring upon the occurrence of
2007 any Event of Default under a Financing Agreement shall impair
2008 any such right or power or shall be construed to be a waiver
2009 thereof, but any such right or power may be exercised from time
2010 to time and as often as may be deemed expedient.

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TAX EXEMPTION

2013

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2015 Generally, interest on obligations of a State or a
2016 political subdivision of a State is exempt from Federal income
2017 taxation. Section 103(b) of the Code provides, however, that
2018 interest on any such obligation which is an "industrial
2019 development Bond" shall not be exempt. An exception to this
2020 provision is created by Sections 103(b)(4)(E) and (F) for issues
2021 of industrial development bonds where substantially all of the
2022 proceeds are used to provide facilities to provide solid waste
2023 disposal facilities or air or water pollution control
2024 facilities, unless the owner of the bond is a "substantial
2025 user" of such facilities, or a "related person," as defined in
2026 Section 103(b) of the Code.

2027

2028 In the opinion of King & Spalding, Atlanta, Georgia,
2029 Bond Counsel with respect to the DeKalb County, Georgia Bonds
2030 and the Fort Wayne, Indiana Bonds, under laws, regulations,
2031 court decisions and rulings existing on the date thereof, the
2032 interest on each such issue of Bonds will be exempt from
2033 Federal income taxation, except for the interest on any Bond
2034 for any period during which it is owned by a person who is a
2035 "substantial user" of the related Project, or any person
2036 considered to be "related" to such person (within the meaning
2037 of Section 103(b) of the Code).

2038

2039 In the opinion of Gaar & Bell, Kansas City, Missouri,
2040 Bond Counsel with respect to the Kansas City, Kansas Bonds,
2041 under laws, regulations, court decisions and rulings existing
2042 on the date thereof, the interest on the Kansas City, Kansas
2043 Bonds will be exempt from Federal income taxation, except for
2044 the interest on any Bond for any period during which it is
2045 owned by a person who is a "substantial user" of the Kansas
2046 City, Kansas Project, or any person considered to be "related"
2047 to such person (within the meaning of Section 103(b) of the
2048 Code).

2049

2050 In the opinion of McCall, Parkhurst & Horton, Dallas,
2051 Texas, Bond Counsel with respect to the Texas Bonds, under
2052 laws, regulations, court decisions and rulings existing on the
2053 date thereof, the interest on the Texas Bonds will be exempt
2054 from Federal income taxation, except for the interest on any
2055 Bond for any period during which is owned by a person who is a
2056 "substantial user" of the Texas Project, or any person
2057 considered to be "related" to such person (within the meaning
2058 of Section 103(b) of the Code).

2059

2060 In the opinion of King & Spalding, Atlanta, Georgia,
2061 the interest on the DeKalb County, Georgia Bonds will be exempt

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105

106

2062 from present income taxation within the State of Georgia, so
2063 long as interest on the Bonds is exempt from Federal income
2064 taxation.

2065
2066 In the opinion of King & Spalding, Atlanta, Georgia,
2067 the interest on the Fort Wayne, Indiana Bonds will be exempt
2068 from taxation in the State of Indiana for all purposes except
2069 the state inheritance tax.

2070
2071 In the opinion of Gaar & Bell, Kansas City, Missouri,
2072 the interest on the Kansas City, Kansas Bonds will not be
2073 subject to the state income taxation within the State of
2073 Kansas.

2074
2075 The opinions of the Bond Counsel as to the exemption
2076 of interest on the Bonds from Federal income tax will be based
2077 on a review of and will assume the accuracy of certain
2078 representations and compliance with certain covenants of
2079 General Motors and the Issuers set forth in the Indentures and
2080 the Financing Agreements and in General Motors' and the
2081 Issuers' Section 103(c) Certificates to be contained in the
2082 transcript of proceedings for the Bonds which are intended to
2083 evidence and assure that the Bonds are "obligations" described
2084 in Section 103(a) of the Code. At the date of the opinions and
2085 subsequent to the original delivery of the Bonds, those
2086 representations must be accurate and those covenants must be
2087 complied with for that interest to be exempt from Federal
2088 income tax under Section 103(a) of the Code. Bond Counsel will
2089 not independently verify the certifications and representations
2090 of fact made by General Motors and the Issuers. Inaccuracy of
2091 the representations of fact or non-compliance with the certain
2092 covenants of General Motors and the Issuer with respect to an
2092 issue of Bonds on the date of and subsequent delivery of such
2093 issue of Bonds may cause interest on such Bonds to become
2094 subject to Federal income taxation retroactively to the date of
2095 their original issuance.

2096
2097 The forms of opinions to be delivered by Bond Counsel
2098 for the respective issues of Bonds are set forth in Appendix B,
2100 Appendix C, Appendix D and Appendix E hereto, respectively.

2102

2102

2104 LEGAL MATTERS

2105

2106 Legal matters incident to the authorization, issuance
2107 and validity of each issue of Bonds and with regard to the tax
2108 exempt status of each issue of Bonds are subject to the
2109 approving opinions of King & Spalding, Atlanta, Georgia, Bond
2110 Counsel with respect to the DeKalb County, Georgia Bonds and

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GENERAL MOTORS CORPORATION

General Motors Corporation was incorporated in 1916 under the laws of the State of Delaware. Its principal executive offices are located at 3044 West Grand Boulevard, Detroit, Michigan 48202 (313/556-5000) and 767 Fifth Avenue, New York, New York 10153 (212/418-6100). General Motors Corporation is sometimes referred to herein as the "Company" and, together with its consolidated subsidiaries, is sometimes referred to herein as "General Motors" or "GM."

General Motors is a highly vertically-integrated business operating primarily in a single industry consisting of the manufacture, assembly and sale of automobiles, trucks and related parts and accessories classified as automotive products. Automotive products consist of passenger cars, trucks, buses, and major components thereof, as well as parts and accessories. Nonautomotive products of the Company include diesel engines, diesel locomotives and other related products. Defense and space products of the Company include turbine aircraft engines and components, ordnance transmissions, inertial navigation, guidance and control systems and components, armored vehicles, as well as commercial products delivered for use by the military. Computer systems services include the design of large scale data processing systems and the operation of data centers and communications networks.

Substantially all of General Motors' products are marketed through retail dealers and through distributors and jobbers in the United States and Canada and through distributors and dealers overseas. At December 31, 1984, there were approximately 11,500 General Motors vehicle dealers in the United States and Canada and approximately 5,400 outlets overseas. To assist in the merchandising of General Motors' products, General Motors Acceptance Corporation, a wholly-owned nonconsolidated subsidiary of the Company, and its subsidiaries offer financial services and certain types of automobile insurance to dealers and customers.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the

82 Securities and Exchange Commission (the "Commission"). Such
83 reports, proxy statements and other information can be
84 inspected and copied at the Commission's office at 450 Fifth
85 Street, N.W., Washington, D.C. 20549, and at the Commission's
86 Regional Offices in New York (26 Federal Plaza, New York, New
87 York 10278), Chicago (219 South Dearborn Street, Chicago,
88 Illinois 60604) and Los Angeles (5757 Wilshire Boulevard, Los
89 Angeles, California 90036). Copies of such material can also
90 be obtained from the Public Reference Section of the
91 Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at
92 prescribed rates. Such material can also be inspected at the
93 offices of the New York Stock Exchange, Inc. (20 Broad Street,
94 New York, New York 10005), the Midwest Stock Exchange, Inc.
95 (120 South LaSalle Street, Chicago, Illinois 60603), the
96 Pacific Stock Exchange, Inc. (618 South Spring Street, Los
97 Angeles, California 90014 and 301 Pine Street, San Francisco,
98 California 94104) and the Philadelphia Stock Exchange, Inc.
99 (1900 Market Street, Philadelphia, Pennsylvania 19103).

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

105 The Annual Report on Form 10-K for the year ended
106 December 31, 1984, which has been filed by the Company with the
107 Commission pursuant to the Exchange Act, and all other reports
108 filed pursuant to Sections 13(a), 14 or 15(d) of the Exchange
109 Act since December 31, 1984 are incorporated by reference in
110 this Offering Circular and shall be deemed to be a part hereof.

112 All documents subsequently filed by the Company with
113 the Commission pursuant to Sections 13, 14 or 15(d) of the
114 Exchange Act after the date of this Offering Circular and prior
115 to the termination of the offering of the Bonds shall be deemed
116 to be incorporated herein by reference and to be a part hereof
117 from their respective dates of filing.

118 Any statement contained in a document incorporated or
119 deemed to be incorporated by reference herein shall be deemed
120 to be modified or superseded for purposes of this Offering
121 Circular to the extent that a statement contained herein or in
122 any other subsequently filed document which also is or is
123 deemed to be incorporated by reference herein modifies or
124 supersedes such statement. Any such statement so modified or
125 superseded shall not be deemed, except as so modified or
126 superseded, to constitute a part of this Offering Circular.

128 The Company will provide without charge to each
129 person to whom this Offering Circular is delivered, upon the
130 written or oral request of such person, a copy of any or all of

FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA

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The following selected financial data, with the exclusion of the ratio of combined earnings to combined fixed charges, have been derived from the consolidated financial statements of General Motors Corporation and its consolidated subsidiaries for each of the five years in the period ended December 31, 1984. Such consolidated financial statements have been examined by Deloitte Haskins & Sells, independent certified public accountants.

Years Ended December 31,					
	1984	1983	1982	1981	1980
	(Dollars in Millions)				
Net Sales and					
Revenues	\$83,889.9	\$74,581.6	\$60,025.6	\$62,698.5	\$57,728.5
Cost and Expenses					
Cost of sales and					
selling, general					
and administrative					
expenses, exclusive					
of items listed					
below	74,224.2	63,953.6	54,513.2	57,900.2	54,736.5
Depreciation of real					
estate, plants and					
equipment	2,663.2	2,569.7	2,403.0	1,837.3	1,458.1
Amortization of					
special tools	2,236.7	2,549.9	2,147.5	2,568.9	2,719.6
Amortization of					
intangible assets ..	65.8	-	-	-	-
Interest expense ...	909.2	1,352.7	1,415.4	897.9	531.9
Other income less income					
deductions - net	1,713.5	815.8	476.3	367.7	348.7
United States, foreign					
and other income					
taxes (credit)	1,805.1	2,223.8	(252.2)	(123.1)	(385.3)
Equity in earnings					
of nonconsolidated					
subsidiaries and					
associates (1)	817.3	982.5	687.7	348.4	221.1
Net Income (Loss)	\$ 4,516.5	\$ 3,730.2	\$ 962.7	\$ 333.4	(\$ 762.5)
Ratio of combined					
earnings to combined					
fixed charges (2)	2.2	2.3	1.2	1.1	0.7

Notes:

(1) Equity in earnings of nonconsolidated subsidiaries and associates includes net income of General Motors Acceptance Corporation and its subsidiaries as follows (in millions): 1984--\$784.8; 1983--\$1,002.0; 1982--\$688.0; 1981--\$365.2; 1980--\$231.0. Cash dividends received from nonconsolidated subsidiaries and associates were as follows (in millions): 1984--\$706.1; 1983--\$757.3; 1982--\$412.7; 1981--\$189.7; 1980--\$116.8.

(2) For purposes of computing the ratio of combined earnings to combined fixed charges, "combined" means General Motors Corporation and all subsidiaries, excluding certain insignificant subsidiaries, as if consolidated. Earnings consist of combined net income (loss) plus income taxes (credit) and fixed charges after eliminating, as applicable, the undistributed earnings of nonconsolidated subsidiaries and associates; and fixed charges consist of combined interest and related charges on debt and one-third of rent expense, which approximates the interest component thereof.

247 Unaudited Interim Results

	1985		1984	
	Third Quarter	Nine Months	Third Quarter	Nine Months
	(Dollars in Millions)			
256 Net Sales and Revenues..	\$22,491.7	\$71,731.1	\$18,542.6	\$63,012.3
257 Net Income.....	\$ 516.5	\$ 2,747.5	\$ 416.8	\$ 3,639.6

258

260

CAPITALIZATION

261

264 The capitalization of General Motors Corporation and its
265 consolidated subsidiaries as of December 31, 1984 is as follows:

267

270

(Dollars in
Millions)

271

272 Long-Term Debt (excluding current maturities)(a):

273

General Motors Corporation:

274

U.S. dollars:

275

8-5/8% Debentures Due 2005 \$ 102.4

276

10% Notes Due 1986 50.0

277

10% Notes Due 1991 250.0

278

12.2% Notes Due 1986-1988 200.0

279

Other 69.1

280

Other Currencies 17.7

281

Consolidated subsidiaries 1,832.1

282

Unamortized discount (principally on

283

10% Notes Due 1991) (103.9)

284

285

Total Long-Term Debt 2,417.4

286

287

Other (b) 1,071.2

288

290

Stockholders' Equity:

291

Capital Stock:

292

Preferred Stock, without par value,

293

cumulative dividends (authorized,

294

6,000,000 shares):

295

296

\$5.00 series, stated value \$100 per

297

share, redeemable at Company option

298

at \$120 per share (issued, 1,875,366

299

shares; in treasury, 177,072 shares;

300

outstanding, 1,698,294 shares) 169.8

302

303

\$3.75 series, stated value \$100 per

304

share, redeemable at Company option

305

at \$100 per share (issued, 1,000,000

306

shares; in treasury, 142,000 shares;

307

outstanding, 858,000 shares) 85.8

308

309

Preference Stock, \$0.10 par value

310

(authorized, 100,000,000 shares; no

311

shares issued) -

312

313

Common Stock, \$1-2/3 par value

314

(authorized, 1,000,000,000 shares;

315

issued, 317,504,133 shares) (c) 529.2

316

317

Class E Common Stock, \$0.10 par value

318

(authorized, 190,000,000 shares, issued,

319

29,082,382 shares) 2.9

320

321

Capital Surplus (principally

322

additional paid-in capital) 3,347.8

323

324

Net Income Retained for Use in

325

the Business 20,796.6

326

327

Accumulated Foreign Currency

328

Translation and Other

329

Adjustments (717.8)

330

331

Total Stockholders' Equity 24,214.3

332

333

Total Capitalization \$27,702.9

334

335

336

149

150

355 Notes:

356

359 (a) At December 31, 1984, long-term debt included
360 approximately \$624 million of short-term obligations which are
361 intended to be renewed or refinanced under long-term credit
362 agreements.

363

364 (b) Includes primarily obligations under capitalized
365 leases, Industrial Development Revenue Bonds, Pollution Control
366 Bonds, and loans from GMAC.

367

368 (c) Issued shares of \$1-2/3 par value common stock
369 at December 31, 1984 include 2,034,426 shares held for the
370 General Motors Incentive Program. Further 2,641,243 shares of
371 \$1-2/3 par value common stock were subject to option under the
372 General Motors Stock Option Plans.

373

373

375

RECENT DEVELOPMENTS

376

377 New vehicle demand in the United States has remained
378 strong in 1985, continuing last year's demand trend which was
379 responsible for the record 1984 profits. For the current
380 calendar year through October 10, 1985, the average seasonally
381 adjusted annual rate of U.S. industry new car deliveries was at
382 11.3 million units, of which General Motors accounted for an
383 annual rate of 5.0 million cars. Similarly, industry truck
384 sales remained strong at a 4.7 million unit annual rate for the
385 calendar year-to-date, with GM accounting for an annual rate of
386 1.7 million trucks.

387

388 General Motors' retail car sales as a percent of
389 total industry sales in the U.S., including foreign-produced
390 cars, has ranged from 44% to 46% per annum over the 1980-1984
391 period. In the latter part of that period, the annual
392 penetration of foreign makes has stabilized at around 23%,
393 primarily due to voluntary export restraints adopted by
394 Japanese automobile manufacturers. Effective April 30, 1985,
395 these voluntary export restraints have been removed. During
396 the 1985 calendar year through October 10, GM delivered
397 3.8 million cars (43.5% market share) and 1.3 million trucks
398 (35.0% market share), representing a 3.7% decrease in car sales
399 and a 14.8% increase in truck sales from the corresponding
400 period in 1984.

401

402 In Canada, the growth in new vehicle deliveries has
403 paralleled that of the U.S. For the current calendar year
404 through October 10, 1985, the average seasonally adjusted
404 annual rates for new car and truck deliveries were 1.1 million

351

352

353

405 and 378,000 units, respectively. Of the total Canadian
406 deliveries through October 10, 1985, GM has accounted for
407 316,000 cars (35.4% market share) and 108,000 trucks (35.2%
408 market share).

409
410 Overseas vehicle deliveries for the first eight
411 months of 1985 were consistent with results achieved during
412 1984. GM retail deliveries of approximately 1.4 million units
413 represented an 8.9% increase from those a year earlier.

414
415 On February 25, 1985, the Company sold 3,125,000
416 shares of GM Class E Common Stock. In addition, a two-for-one
417 stock split in the form of a 100% stock dividend to holders of
418 GM Class E Common Stock was distributed on June 10, 1985.

On June 5, 1985, the Company announced that it would acquire 100% of the capital stock of the Hughes Aircraft Company for \$2.7 billion in cash and 50 million shares of a new GM Class H Common Stock.

BILL NO. S-85-10-39

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS

REFERRED AN (ORDINANCE) (~~RESOLUTION~~) A BOND ORDINANCE ON THE
CITY OF FORT WAYNE, INDIANA AUTHORIZING, INTER ALIA, THE ISSUANCE
OF THE CITY OF FORT WAYNE, INDIANA POLLUTION CONTROL REVENUE BONDS
(GENERAL MOTORS CORPORATION PROJECT), SERIES 1985

HAVE HAD SAID (ORDINANCE) (~~RESOLUTION~~) UNDER CONSIDERATION AND BEG

LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE)

(~~RESOLUTION~~) DO PASS DO NOT PASS WITHDRAWN

YES

NO

B. A. Eisbart

BEN A. EISBART
CHAIRMAN

Janet G. Bradbury

JANET G. BRADBURY
VICE CHAIRWOMAN

Samuel J. Talarico

SAMUEL J. TALARICO

THOMAS C. HENRY

James S. Stier

JAMES S. STIER

CONCURRED IN _____

SANDRA E. KENNEDY
CITY CLERK